

The NATIONAL UNDERWRITER

**“Clicks
like a Key
in a Lock”**



If you're trying to open the door to advertising and premium production, it would be worth your while to read our "Key to Agency Development" booklet. *It clicks like a key in a lock!*

This compact booklet explains in detail our various advertising facilities and services, and also carries an explanation of our effective and practical Survey and Analysis Plan.

If you advertise now, or plan to do any promotional work this Fall, this booklet will give you the fundamentals of productive agency advertising. A copy is yours for the asking. It will make profitable vacation reading.

NORTH BRITISH AND MERCANTILE
INSURANCE COMPANY LIMITED

THE PENNSYLVANIA FIRE INSURANCE COMPANY

THE COMMONWEALTH INSURANCE COMPANY
OF NEW YORK

THE MERCANTILE INSURANCE COMPANY
OF AMERICA

THE HOMELAND INSURANCE COMPANY
OF AMERICA

150 WILLIAM STREET, NEW YORK 7, N. Y.

New York
Detroit

Philadelphia
Chicago

Boston
San Francisco

THURSDAY, AUGUST 10, 1950



**You do the pitching
... we'll back you up
in the field!**

WHEN a pitcher is bearing down on the hill, he likes to know that he can count on airtight support in the field.

The same goes for the insurance Agent. When he is pitching for a sale, he can get "more on the ball," knowing that he has a fast-fielding team behind him.

Agents of the North America Companies can depend on that kind of support from our Service Offices. Located in marketing centers throughout the United States and Canada, these offices supply localized service, technical aid and claim facilities to Agents and Brokers. Each Service Office is staffed with specialists who are able to provide "on the ground" Head Office assistance to independent producers in the area.

Establishment of these Service Offices demonstrates North America's support of the American Agency System, which has continued since North America appointed its first Agent in 1807.

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" Companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance, Fidelity and Surety Bonds. Sold only through Agents or Brokers.

Insurance Company of North America
Indemnity Insurance Company of North America
Philadelphia Fire and Marine Insurance Company



**INSURANCE COMPANY OF
NORTH AMERICA**
COMPANIES, *Philadelphia*

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Recommends New Explosion Manual for Adoption

Issue Modernized by
Allied Lines; Earthquake
in Separate Manual

NEW YORK—After approximately 2½ years of intensive study and research by underwriters and experts on chemical hazards thoroughly familiar with the perils, the explosion manual has been revised and much condensed by Allied Lines Assn. Rates, rules and clauses for earthquake and volcanic eruption insurance have been removed from the explosion manual and printed as a separate manual.

The new manuals have been forwarded to the managers of regional rating organizations and are recommended by Allied Lines Assn. for adoption and filing with insurance departments. The association recommends that the new rates, rules and forms be applicable only to new and renewal business effective on a date approved by the insurance department and that policies in effect previously may not be endorsed or cancelled and rewritten to take advantage of or avoid the application of the changes except at customary short rates. The new manuals are not in effect yet anywhere.

Some Rate Reductions

The explosion manual has been greatly condensed, and some reductions are recommended in rates for favorable experience. The rules section has been streamlined and the methods established for writing specific coverages of explosion, riot, vandalism, and aircraft and vehicle damage to property have been made to harmonize with fire practice wherever possible.

Because pressure vessel explosion cover is required only in case of risks eligible for extended coverage No. 3, section C, or superior risk fire forms affording similar protection, the rates and forms for this coverage have been removed from the manual. Hereafter this coverage will be written only by endorsement to E. C. No. 3 or superior risk fire forms affording similar coverage. The rates and rules will become a part of the superior risk classification rules in each rating jurisdiction.

Optional Earthquake Deductible

Since the earthquake section did not apply on the Pacific Coast, that line has been made the subject of a separate manual so that the 1950 explosion manual could be recommended for country-wide use in its entirety. The earthquake rates, rules and clauses have been changed little except for an optional 2% value deductible. This permits a 25% rate reduction. The deductible accords with practice on the Pacific Coast where most business is written that way. Rules have been streamlined and made to harmonize with fire practice wherever possible.

From the explosion manual also has been eliminated the requirement for trebled rates for riot and vandalism insurance bound under strike or riot conditions. Many years experience under the rule shows infrequent need for its appli-

(CONTINUED ON PAGE 8)

Pros and Cons of the Deductible Plan Cited

One of the fire insurance organizations recently made an extract of the favorable and unfavorable points that have been adduced in connection with deductible insurance. This was not intended as an assault on the deductible plan nor as a defense of it, but simply as an informative summary.

Under the heading of "History and Development" these points are brought out: 1. The principle has been used for many years by ocean marine underwriters in covering cargoes of a susceptible nature through the use of "Free of Particular Average" (F.P.A.) clauses.

(a) It has been used by ocean marine hull underwriters in arranging primary insurance on hull and then quoting separate and lower rates on "Freights" which is termed "T.L.O." insurance (total loss only).

(b) Neither of these limited covers applies to general average or salvage charges. The F.P.A. clause in cargo insurance does not apply to losses caused by stranding, sinking, burning, or collision with another vessel.

2. The principle has been used for years in arranging "excess reinsurance" for insurance companies covering catastrophe losses.

3. It has been used in some instances to reinsure "so-called" self-insurance funds.

Railroad Covers

4. It has been used in the issuance of policies covering railroad insurance properties.

5. It has been used to reinsure "specialty" companies organized by some large corporation for the sole purpose of insuring the property of such corporation.

6. It has been used on special contracts covering risks where values are reasonably constant but distribution of such values is spread over a large area and averaged over many risks of like hazard.

7. It has been used in credit insurance to establish net compensable loss as the gross loss less invoice adjustments and allowances and less co-insurance and normal credit loss.

8. Under Extended Coverage Endorsement No. 3 there is a deductible of \$250 applying to all perils under the endorsement.

Favorable Points Cited

On the favorable side these points are heard:

1. There is a demand for deductible coverage among risks of a size that permits assumption of a "first loss" by the assured.

2. Some risks have an inherent hazard whereby small losses can be recognized as maintenance losses—i.e., steel mills, public utility electrical risks, foundries.

3. Deductible coverage has been offered by the non-admitted foreign market and by mutuals covering large factory risks.

4. It saves the cost of handling and paying small claims for the insuring company and provides rate credit based on that saving.

5. The assured also saves part of the percentage of the full rate that normally goes for agents commission, taxes, company overhead, board expenses, etc.

6. It adds additional income to agents

and brokers by reclaiming those risks now going to non-admitted and direct writing mutual markets.

Careful Underwriting

7. It requires careful underwriting of each risk because serious single loss possibility must be evaluated.

8. Full insurance to value is essential to cover large single loss possibility.

9. Its basis of high limit deductible will attract only the large, well managed risk.

10. It will deter the development of self-insurance funds by offering a market for full insurance, less those losses normally classed as maintenance items.

11. It lends itself to operations such as railroads, grain, F.I.A., cotton, multiple location risks.

On the other hand these things are said against it:

1. It encourages the creation of self-insurance funds and destroys 100% indemnity.

Doesn't Spread Risk

2. It does not equitably spread the risk because buyers of deductible do not pay their share of the over-all premium required for payment of smaller claims.

3. It will tend toward increasing the relative cost of inspecting and servicing large sprinklered and other risks with special processes now requiring periodic inspection to maintain and expand fire safety requirements.

4. The use of deductibles limited to large value risks or those with many locations may be discriminatory and require consideration of lower deductibles available for smaller risks and those of one location.

5. Destroys the statistical credibility of rate levels because of reduction for varying deductibles.

6. Fixed company expense is not reduced in relation to percentage reduction for use of deductible.

Elimination of Investigation

7. Elimination of investigating and paying claims amounting to less than the applicable deductible may destroy the fire safety activity that normally saves recurrence of loss from preventable cause. Most of the fire safety developments in industry have resulted from careful study of fire causes in small losses which has prevented larger claims through creation of new fire safety standards.

8. It presents problems of loss apportionment unless the risk is covered only by deductible policies.

9. It will reduce agents commission by the rate percentage allowed for the use of deductible. This without commensurate reductions of agents work.

Park Insurance Treated in Trade Magazine Article

John Hommes, engineer of Western Actuarial Bureau at Chicago, is the author of an article in the August issue of Park Maintenance, a trade magazine in the municipal park field. The article,

entitled "Fire Losses Cut by Adequate Program," notes that careful planning is the best solution to the problems of high fire rates on park properties, and points out that agents provide expert advice without charge. There is a warning against under-insurance, and Mr. Hommes explains how the rates are made and applied.

Blue Goose Flock Gathers at Indiana Rice Fields

Contest for Grand Keeper,
Proportional Representa-
tion Are Big Issues

By JOHN C. BURRIDGE

The Grand Nest convention of Blue Goose is in full swing this week at French Lick Springs, Ind. J. Ray Hull, American States, who is presiding at the sessions, will be succeeded as most loyal gander by Paul M. Fell, Middle Department Rating Assn., Philadelphia.

The convention opened Monday with an informal party and a dance at the French Lick Springs hotel. In the morning the grand nest officers met and registration occupied the afternoon.

On Tuesday the international golf



J. Ray Hull



R. A. Kenzel

tournament and ladies golf were conducted concurrently and in the afternoon there was special entertainment for the ladies in the form of a tea and reception. A cocktail party preceded the dinner and dancing in the evening.

The business sessions started Wednesday morning and after preliminaries there was featured a model initiation by a drill team of the Kentucky pond. This was followed by the address of Mr. Hull.

After a ladies' function and a stag lunch for the men, the committee reports and the report of grand welder R. A. Kenzel, Northern of London, were given. The pond delegates gave their individual reports and this was followed by another evening of special entertainment.

Representation Issue

The greatest interest is in the Thursday morning session at which proportional representation is being debated. The problem is that of allowing the larger ponds which contribute most heavily to the grand nest treasury expenses for more delegates to the grand nest convention.

There is also special interest in the election of the new grand keeper for which office there are two candidates, Alex Young, Hartford Fire special agent in Missouri, and C. B. Herrick, state agent of Yorkshire in Michigan.

George Craig, national commander of the American Legion, is the only outside speaker, and his talk is Thursday noon.

South Jersey Insurance Women have elected Helen E. MacMaster, president; Alma Brown and Rose Barbell, vice-presidents; Norma Schwink and Margaret Vaneman, secretaries, and Ava L. Wolf, treasurer.

Insurance Men Put on Sawyer's Essential List

Defense Department Will Use Classification as Guide in Call to Colors

WASHINGTON — Insurance companies are included in a "tentative list of essential activities" promulgated by Secretary of Commerce Sawyer in connection with the partial mobilization in which the nation is engaged.

Sawyer said the list was requested by the Defense Department, "as a guide for calling up for active duty members of the civilian components of the armed forces."

"Major Group 63" on the Sawyer

list includes "life, accident and health, fire and marine casualty, surety, title and other companies operating as underwriters of insurance."

Credit agencies other than banks are also included among essential activities.

Critical Occupations

On the same day, Secretary of Labor Tobin issued a list of "critical occupations," which included various types of engineers such as are employed by insurance companies.

Tobin said his list was also prepared for the Defense Department, and selection of specific occupations was made on the basis of three major considerations:

a. Demand in essential industries and activities for persons qualified to work in the occupations would exceed the total supply under full mobilization.

b. Minimum training time of two years, or equivalent in work experience, is necessary to satisfactory performance of major tasks in the occupation.

c. The occupation is essential to functioning of industries or activities in which it occurs.

Secretary Sawyer said his listing was based on selection of activities (1) directly contributing to production of war materials, (2) necessary for maintenance of war production, (3) essential for the

maintenance of national safety, health and interest.

Observers say insurance comes in under two of these categories, and probably all three.

Use of Classification

These lists and the classification of men with relation to them are expected to be used in connection with the draft, the calling of reservists, of whom some 60,000 have just been notified, and the National Guard, with respect to deferment of individuals.

However, National Defense announces all deferments will be handled on an individual basis. Deferment may be sought both by individual workers and by their employers in behalf of the former and in the interest of maintaining work in essential lines of activity.

Criteria for delay in call to active duty in the reserves include that the man is engaged in (1) a civilian occupation listed by Labor as critical and in (2) highly essential activity necessary to the national health, safety, or interest as defined in the Commerce list, or (3) that he is engaged in a key position in essential activity necessary to national health, safety or interest, and it is established after consideration of request for deferment that the man complies with criteria 1 or 2 above, "and that there are unique circumstances surrounding the member's employment or work which give him essential knowledge or experience not possessed by any available replacement possessing the same skill."

National Guard service deferment may be asked for its members either through their commanding officers or direct of the state adjutant general. All deferments are subject to cancellation.

Reciprocal Route Avoids Ohio Agency Stop Signs

COLUMBUS—Ohio Assn. of Insurance Agents will probably urge revision of the laws on reciprocals at the next legislative session, on the ground that automobile dealers are using them to evade the present agency licensing requirements. In a bulletin to members, Secretary T. M. Gray states that no insurance laws, including agents license provisions, apply to reciprocals, except the chapter which permits their organization. All this requires as to agents and solicitors is a list of persons authorized to solicit for the reciprocal.

Investigator Organizes Reciprocal

Mr. Gray's bulletin declares that G. A. Corso, former chief investigator for the insurance department, has organized a reciprocal at Cleveland and listed a number of automobile dealers as authorized to solicit.

The same bulletin reports on the activities of Independent Insurance Agents of Ohio, recently organized largely by General Motors dealers who sell insurance. This organization has been circularizing members of the legislature and Mr. Gray reported that currently dealers in automobiles not made by General Motors are being approached with agency offers by General Motors Co.

McGee Publishes Booklet on Stevedoring Safety

William H. McGee & Co., has published a booklet on "Stevedoring and Cargo Safety." Beginning with a few comments on safe stevedoring practices, it also contains a list of definitions of common stevedoring terms and chapters on responsibilities of ship operators and stevedores, safe practices, rigging of ships gear, cargo handling, and stevedoring gear. The booklet closes with a sample of a monthly accident record which McGee & Co. has developed to help in controlling damage to property.

Leslie Wants Pa. Deviations on All-Industry Basis

Commissioner Will Seek Change—North America Decision No Precedent

Commissioner Leslie of Pennsylvania announces his intention to recommend to the legislature amending the fire rating law so as to make the deviation section correspond to that of the all-industry bill. He made this announcement in connection with a statement explaining the significance of his adjudication of July 13 that the deviation filing of North America under date of Dec. 21, 1948, was within the requirements of the rating act.

Mr. Leslie remarked that there has been insurance trade paper publicity to the effect that his July 13 adjudication establishes a precedent for future deviations. This, he said, is not true, and hence the statement clarifying the intent and purpose of the adjudication.


"My adjudication . . ." he declared, "was not intended as a precedent. It had the effect of validating policies of insurance which had been issued by the North America companies after their application for deviation had been filed and pending the hearing in connection therewith. Under date of Sept. 20, 1949, my predecessor in office had written to the North America companies to the effect that their deviation would cease to be effective on Oct. 1, 1949. The question of the legality of the deviation therefore, had been moot since Oct. 1, 1949, but it still remained necessary to pass upon the validity of the policies which had been issued at the deviated rates by the North America and other stock fire insurance companies similarly situated.

"Much of the difficulty in the matter arose from the phraseology of the deviation section (Sec. 7) of the insurance rating law. . . . This section provides that any deviation filing shall be on file for a waiting period of 30 days before it becomes effective. Unlike the national all-industry fire and inland marine rate regulatory act in the comparable section, there is no provision in the Pennsylvania statute for written application for permission to file a deviation but simply a requirement that a copy of the deviation filing be sent to the rating organization from whose filing the deviation is to be applicable, nor is there any provision in the Pennsylvania statute for a hearing prior to the deviation filing becoming effective, at which hearing any insurer, other than the insured making the filing, may be heard on less than 10 days' written notice.

"The experience of the insurance department has indicated that there is a serious question whether our Pennsylvania act should not be amended in these respects, and the department proposes to recommend to the next session of the general assembly that this be done. In the meantime, I shall call hearings on deviation filings within the 30-day waiting period when, in my judgment, such action is warranted."

Minn. Federation to Meet

The annual meeting of Insurance Federation of Minnesota has been set for Sept. 18, at Hotel Radisson, Minneapolis. Ike Armstrong, newly-appointed director of physical education and athletics at the University of Minnesota, will be the luncheon speaker.



BURGLARIES are on the INCREASE

yet in spite of the daily accounts in the newspapers, only 20% of the public carries burglary insurance.

Don't neglect this lucrative market. Solicit the uninsured 80%. You will be amazed at the results.

Phoenix-London

GROUP

55 FIFTH AVENUE · NEW YORK

Standard Protection

PHOENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
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THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHOENIX INDEMNITY COMPANY

Discuss Attitude on War Damage

Business Willing to Operate Plan; Sees Need of Workable Legislation

NEW YORK—At the meeting of the joint industry committee here last week, the principal topic was what action the business should take in respect to war damage. The business is interested in seeing a more practical, workable piece of legislation passed by Congress than the last war's war damage corporation measure. There appears to be general agreement that the business should offer its services in handling war damage coverage.

However, some believe the industry would be presumptuous to step in and state its views before Congress calls for hearings on a measure or measures introduced by the legislators at Washington. Others think the business should immediately make its influence felt and help shape from the outset a coverage and procedure that would reflect what it learned in handling the big job in the last war. There is this difference in viewpoint which might be resolved rather quickly if the war situation worsened, or if legislation to create a war damage establishment began to move through Congress rapidly.

Question of Participation

Another point on which there does not seem to be substantial harmony is whether insurers should participate in carrying the liability. Some believe that in view of the potential damage from atomic weapons, insurers should not and could not be expected to assume any liability at all. Others think a modest participation, not necessarily as much as the 10% taken during the last war, would be desirable.

An argument voiced by those interested in seeing an immediate move by the business is that the language of the old W.D.C. legislation might have been good as legal theory but was not practical. They think it fortunate there were no losses and the language was never tested in the courts. If, they say, the business wants a law that is workable, representatives should get in at once and push for it, possibly suggesting a bill of their own. The two bills already in are said to follow the language of the old W.D.C. pretty closely. By prompt action the business could impress its own views from the outset.

One observer makes the point that war damage coverage will not sell itself; at least it did not do so in the last war. After the initial sales, impelled by the first shock of war, people quit buying the protection in quantity. At this point the fire business set a sales program in motion, and the program went forward steadily thereafter.

Should Be Insurance

There certainly seems to be general agreement on the desirability of having any war damage program operate as an insurance proposition, the companies providing the service at cost. In the last war agents received 5% with a minimum of \$1 per policy and a maximum of \$1,000. The company minimum was 50 cents a policy and maximum \$700. The companies temporarily withheld 3.5%, subject to audit and adjustment to the cost basis. Cost of handling was found to be less than 3.5% of premium volume.

War damage provided an interesting commentary on the cost of handling a line for which the companies and agencies do not have to add an appreciable amount of help. The war damage business was found to be quite satisfactory on this basis, and since there were no losses it was possible to see how it operated strictly on the expense side, without difficulty.

F.I.A. Promotions Are Announced

Factory Insurance Assn. has promoted H. G. Butterworth to executive assistant at Hartford where he will continue to supervise eastern regional office nationwide accounts. H. W. White, supervisor in the Hartford underwriting department, transfers to Charlotte, N. C., as special agent to assist W. H. Mill, who takes over as field manager there.

Johnson, Miller to Address N. D. Rally

North Dakota Assn. of Insurance Agents has scheduled its annual convention for Sept. 8-9 at Bismarck. O. Shaw Johnson, Clarksdale, Miss., president of the National association, and Melvin J. Miller, vice-president of the National association, will give the principal talks. Mr. Johnson will speak at the banquet Friday, and Mr. Miller will address the meeting on Saturday.

Other speakers on the program include George Blomgren, secretary-

treasurer of the Minnesota association, and Charles L. Hoffman, executive secretary of Insurance Federation of North Dakota. Discussion forums will be led by Lloyd C. Thompson, Grand Forks, president of the North Dakota association, and Charles A. Dawson, Fargo, state director.

The meeting will open with a luncheon Friday. There will be a special lunch and party for the ladies and a golf tournament has been planned for Saturday afternoon.

Local arrangements are in charge of E. V. Lahr, Jr., of Bismarck. A record attendance is expected.

New Rule OKs Rewriting of Insolvent Carrier's Policies

Washington Surveying & Rating Bureau has adopted a new rule permitting the writing of insurance replacing policies of an insolvent carrier on a pro-rata basis for the unexpired term.

The rule states that if insurance in a company whose license has been cancelled by the commissioner is replaced in other companies, the company rewriting the coverage may not accept from the insured an assignment of claim for return premium against any such

company or other insurer whose license has been cancelled.

Commissioner Sullivan has accepted a filing from the National Bureau of Casualty Underwriters permitting the replacement of a policy of an insolvent carrier in another company on a pro-rata basis.

Prepare for F. P. Week

In preparation for Fire Prevention Week, Oct. 8-14, Oklahoma Assn. of Insurance Agents is requesting local boards to make arrangements to serve as local distribution centers for the National Board. They are to make a survey to ascertain the minimum quantities of literature needed.

Swain's Hat in Ring

Delaware Commissioner William J. Swain will be a candidate for the Republican nomination to retain his post, which would be his third term.

Named by Houston F. & C.

Houston Fire & Casualty has appointed Groninger & Co. of Seattle as general agents for Washington and Idaho.



How do You do it



How do you sell the Product Liability policy without offending your prospect? Resentment can flare up the minute you mention the possibility that a defect in his product might mean a lawsuit for him.

Can you "sweet talk" a manufacturer, for instance, into buying Product Liability insurance? It's not easy! Takes tactics.

We have a few sales hints which, we think, accomplish this subtly, but effectively. Your copy of "Ac-cen-tu-ate the Positive" a reprint of a magazine article, is available by writing the Advertising Department.

CASUALTY • FIRE • MARINE

ROYAL-LIVERPOOL *Group*

150 WILLIAM ST., NEW YORK 8, N. Y.

ROYAL INSURANCE COMPANY, LIMITED • ROYAL INDEMNITY COMPANY • AMERICAN & FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE CO., LTD. • NEWARK INSURANCE COMPANY • QUEEN INSURANCE COMPANY OF AMERICA

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LIMITED • GLOBE INDEMNITY COMPANY • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



COTTON wrote the melody!

To the melody written by cotton, men added the words, and the song was one of progress.

Together, men and cotton have progressed... cleared woodlands to make fertile, profitable fields...built railroads and highways in the beds of wagon trails...made cities from crossroads and harnessed flooding rivers and put them to work.



A source of great satisfaction is the fact that The Cotton Insurance Association, through its agents and member companies, has written some of the words for this song of progress.

THE COTTON INSURANCE ASSOCIATION

ATLANTA • GEORGIA

NEW YORK • COLUMBIA • MEMPHIS • LOS ANGELES • HOUSTON
RALEIGH • MONTGOMERY • JACKSON • DALLAS • FRESNO

1910 — 1950

FORTY YEARS

of factual appraisal service to
America's more conservative business institutions



IMPARTIAL VALUATIONS
of
INDUSTRIAL and COMMERCIAL
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DISTRICT OFFICES IN ALL PRINCIPAL CITIES

The Lloyd-Thomas Co.

APPROVED AUTHORITY ON PHYSICAL PROPERTIES
APPRAISAL ENGINEERS
4411-15 RAVENSWOOD AVE., CHICAGO

Increase Credit for Central Alarm Systems in Midwest

Revision to Analytic System Recognizes Favorable Experience

Western Actuarial Bureau has mailed to subscribers a number of recommended changes to the analytic system. This is the 18th revision of the 1921 edition of the analytic system, the last previous one being in 1945. Seven states have already approved the changes as filed by the rating bureaus, and they are Iowa, Kansas, Kentucky, Missouri, Ohio, Oklahoma and Tennessee. Approval in several other mid-western states is expected shortly.

In view of the long continued favorable experience on automatic fire alarm systems with approved central stations, an increased credit has been allowed for this classification. A new analysis has been made of auxiliary fire alarm systems and direct wire systems and a credit is now allowed for these.

The occupancy changes include treatment for outdoor theaters, boat risks, fur-sewing risks, alfalfa meal warehouses and asphalt-coated metal buildings.

Most Cities Have A. D. T.

Most cities have at least one automatic fire alarm system, such as A.D.T. connected with a central station, and in many of the larger cities there are two or three central station systems. A re-analysis of credit in this field shows that the experience has been favorable on systems of that character and the allowable credit has been increased. Auxiliary fire alarm systems, which heretofore have not been allowed credits, now get a credit in the schedule. These are alarm systems connected through the municipal alarm system or direct wire systems connected to the fire department alarm system by private wire.

Outdoor theaters, which have been receiving tentative treatment in a few states, and in others were rated in the classification of amusement parks, have now been given individual rating. The new schedule allows for an analysis of screen structure for rating on the basis of construction and gives a more favorable rate for incombustible construction. The overall rate is an improvement over the amusement park classification.

Individual Grouping

Boat risks, those involving boat sales service or repairs, have now been given individual treatment. In the past these have fallen into the resort property or repair shop groupings.

Fur sewing risks, shops devoted to fur-cleaning and renovating as a specialty, are now recognized and given individual treatment. There are many of these shops in outlying metropolitan districts that receive furs from department stores or storage vaults for specialty work.

Alfalfa meal warehouses and asphalt-coated metal buildings have been put into the schedule. The rating treatments on these have been developed by the states on a more less uniform basis and the revision merely incorporates the treatment in the system. There are also a number of editorial and technical revisions.

J. E. Keane to General Accident at Chicago

J. Edward Keane has joined General Accident and Potomac in charge of fire operations in the midwestern department.

General Accident and Potomac are both multiple line companies. General Accident writes fire and casualty out-

side of Chicago, and the Potomac writes multiple line in Chicago and throughout the midwest where it is licensed to do so.

Mr. Keane previously was with Rhode Island for 24 years. For 17 years he was at the home office and since 1940 has been assistant manager of the western department in Chicago.

Everybody Gets a Raise But C. F. J. Harrington

A bill to increase the salary of Commissioner C. F. J. Harrington of Massachusetts from \$8,500 to \$12,000 was rejected in the Massachusetts house by a roll-call vote of 118-85. Mr. Harrington's term expired early in April. He has not been reappointed to the office but neither has a successor been named. This turn-down of a salary increase was in the face of house action approving pay increases for nine other state officials. At about the same time Governor Dever was signing legislation for salary increases for 17 state department heads.



BOOK VALUES NOT INSURABLE VALUES

To depend on book values for insurance is dangerous. Current values established by appraisal furnish the proper basis for coverage, re-rating, and proof of loss.

The AMERICAN APPRAISAL Company

Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES

MID-SUMMER OPENINGS

A & H Manager	\$625
Bond Manager	625
Casualty Accountant	600
Sales Manager	550
Fire Special Agent	500
I. M. Branch Manager	500
Cas. Underwriting Mgr.	500
Cas. Special Agent	450
Claim Supervisor	400
Payroll Audit Supv.	400

FERGASON PERSONNEL
330 S. Wells Street HARRISON 7-9040
Chicago 6, Illinois

Installment Plan Amended Form Rejected in N. C.

Commissioner Cheek has disapproved the amended form submitted by North Carolina Fire Insurance Rating Bureau for installment payment of term premiums insofar as the amendments increase the charge for installment feature from 4.12 times annual to 4.20 times for five-year policies, and hike the first installment from 100% of the annual premium to 108%. These multipliers remain at 4.12 and 100%.

At the same time Cheek approved the bureau's proposed change in the form which provides that default in payment of any installment shall be construed as a request by insured to cancel. In that case the company, on demand and surrender of the policy, or after five days' written notice to insured, shall cancel and refund any premium above the short rate for the expired time.

Approve Loss Provision

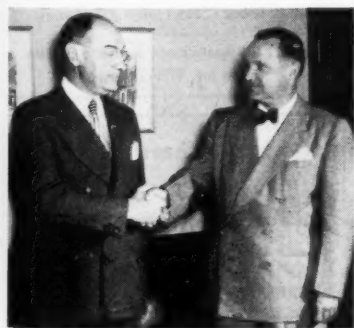
Approved also was the bureau provision that the amount of insurance in an installment policy shall not be reduced by loss payment provided the company's liability at no time exceeds the actual cash value of the property at the time of loss. That portion of the premium applicable to the amount of any loss paid shall be considered fully earned.

The commissioner also ordered the bureau to proceed with a justification of the term rule and immediately file with the department a statement of how much time will be needed for the bureau to make a thorough study of the term rule. The bureau indicated it had no experience or data on which to proceed with a modification of the term rule.

56th Royal Birthday

A man who once was fired as an office boy from the same organization today has the longest period of service of anyone connected with Royal-Liverpool group.

John Meyer, of the group's loss service department, celebrated his 50th anniversary of employment amid a shower



John Meyer, left, is congratulated by Clarke Smith, deputy U. S. manager of Royal, on the occasion of his 56th anniversary with the company.

\$625 of congratulatory cards and telegrams from friends and associates in all parts of the country.
625 Employed as an office boy in 1900, Mr. Meyer cleaned and filled ink wells, sorted mail and performed other minor duties. Fired shortly afterward for "loitering in the street," he asked for and received another chance. Serving successively in the underwriting and re-insurance departments, he was later assigned to the loss department where he has since functioned. Mr. Meyer was guest of honor at a luncheon at the Drug & Chemical club, where he was presented with a picture of a television set which was at that moment being installed in his home. Among other pres-

ents which he received were a portable radio, a pen and pencil set, a travel-alarm clock and several bouquets.

Ala. Shakeup Not Due to Insurance but Bank Row

The ousting of Brooks Glass as Alabama director of commerce and the appointment of D. E. Marley of Brundidge, is due, according to advices from Alabama not to any insurance controversy, but because Mr. Glass had refused in his capacity as superintendent of banks, to issue a charter to a proposed bank at Chickasaw.

Some had opined that the ouster was related to the fact that Mr. Glass was on the losing end of a court decision involving the installment payment plan on term fire insurance policies.

Mr. Marley was formerly president of First National Bank of Brundidge.

Home Enters Israel

According to an Associated Press dispatch from Jerusalem, Home has started operations in Israel. This is said to be the first U. S. insurance company to do business in Israel on a permanent basis.

Comprehensive Deductible Is Distasteful to Agent

From John B. Read, insurance broker and agent at 5241 North Central avenue, Chicago:

Your lead article "War Boosts Interest in Deductible for Comprehensive" on page 1 of your July 27 issue failed to point out the great benefits resulting from the present automobile comprehensive as this agency has experienced. To me it seems more in the nature of an editorial with a New York dateline, since no named authority is given for any of the rather general statements.

In my opinion, no type of advertising can possibly equal in effectiveness, the proper handling of these small under \$25 claims by the local agent. To the insurance company, the advantage of this arrangement is equally great. Even if the loss ratio were considerably higher, I believe the extra business gained would more than pay underwriters for this coverage.

The local agent having more contact with the insuring public than anyone

else in the business, has the greatest opportunity to improve public relations with the policyholder. That is why the adjustment of these small losses plays such an important role in the field of public relations, for, aside from a sense of security the insured derives no benefit from his policy unless he suffers a loss.

The goodwill that accompanies a satisfactory loss settlement cannot be measured on a dollar and cents scale. However, the ability to handle comprehensive claims is one of our best avenues to increased sales. It has helped me to write a tremendous amount of new business. A satisfied claimant influences his friends and almost daily we have new customers contact us voluntarily. As a result we not only get his automobile insurance but often other types as well.

Before any change is made in the present automobile comprehensive, I believe the above factors should be given serious consideration.

Cantwell & Bromley agency at Utica, N. Y., has been sold but will continue to operate under the same name. New owners are Howard H. Cammack, president; L. M. Coco, vice-president; D. W. Reilly, vice-president, and A. B. Muller, secretary.

Is the Insurance Agent really "a Good Man to Know"?



DO PEOPLE GET ENOUGH INFORMATION?

Surveys are a Good Way of Telling People About Their Insurance

One of the things which make the agent "a good man to know" is the insurance survey.

A survey, of course, is information—information about the dangers of disaster and how insurance can meet those dangers. You can furnish information in many ways but the survey gathers it together all at once.

Assuredly, a survey can be well prepared or badly prepared. It can be on a well-designed form or it can be on the back of an envelope. (The odds for success favor the survey which is

well prepared.)

Granting that agents are prevented from making more surveys by lack of time or fear of making a mistake, it still seems a shame, doesn't it, that thousands of people don't know today what insurance protection they have or whether it's right or wrong!

We really should tell them—and the survey, whether "long-form" or "short-form", is one way of doing it.

People who get information from a survey think the agent is "a good man to know"!



Ohio Farmers Insurance Company

Chartered 1848 . . Le Roy, Ohio

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

If this nation is to survive we must learn that security is not the product of political power.

Government can wave no magic wands, issue no decrees, make no laws which will provide things for a people who do not produce.

The only riches which enable us to eat and drink, to clothe, shelter and educate ourselves and our families, to provide a measure of security in old age and to enable us to aid the less fortunate are the riches that are created through the skills of men in industry and business or grown through the efforts of men on farms.

The moral basis of society is being destroyed by the incessant scramble for higher wages, higher profits, higher pensions, more leisure and rigid prices for agriculture.

It is easy to forget how to plow when everyone wants to be a harvester.

No government will work in a land where everyone TRIES TO WORK THE GOVERNMENT. When you take away the incentive to produce and the penalty for loafing, you are on the slippery road to ruin. We can take out of our economic system only what we put into it.

W. ARTHUR SIMPSON
Commissioner of Social Welfare
STATE OF VERMONT

NEW HAMPSHIRE FIRE INSURANCE COMPANY
Incorporated 1869
MANCHESTER, NEW HAMPSHIRE

GRANITE STATE FIRE INSURANCE COMPANY
Incorporated 1885
PORTSMOUTH, NEW HAMPSHIRE

"Now there's a friendly outfit."

THE London Assurance
99 JOHN STREET • NEW YORK 7, N. Y.

C.P.C.U. Goal to Take More Than Desire

Students seeking to enroll in the special classes conducted by Illinois Institute of Technology, Chicago, as preparation for the Chartered Property-Casualty Underwriter examinations, will be subjected to closer advance screening this fall, if Institute authorities adopt the recommendation made Aug. 7, by the Chicago C.P.C.U. chapter at its annual educational meeting.

For several years Illinois Institute of Technology has offered special classes in fire and casualty insurance principles and practices, finance and accounting, business and insurance law, and general education, and these will be offered again this fall. Results of the national examinations conducted by the American Institute for Property & Liability Underwriters, Inc., however, have indicated that a large percentage of students enrolled in the classes are not sufficiently qualified. More rigorous screening is expected to cut enrollment in the 1950-51 classes, and to permit more intensive instruction. A limit of 25 students per class has been suggested, as compared with previous limits of about 45, by Prof. John J. Ahern, director of the Illinois Tech department of fire prevention and safety engineering, under whose supervision the insurance classes are conducted.

Nationally there has been a more or less steady decline since 1943 in the percentage of candidates able to pass the national examinations which lead to the C.P.C.U. designation. For the group of five examinations the percentage of those passing has declined from 64.6% in 1943 to 51.7% in 1950. The decrease over this period in the examinations on insurance principles and practices was from 61.4% to 46.3% in one type of test, and from 72.1% to 44.0% in another. In general education there was a decrease from 65.0% in 1943 to 55.6% in 1950, and in law there was a drop from 61.1% to 57.6%. The only gain was in accounting and finance, where percentage of those passing increased from 53.0% in 1943 to 61.4% in 1950.

According to local insurance men who have been serving as instructors in the classes the result is explained by the fact that many enrolling for the Illinois Institute of Technology courses have not understood that these are intensive review courses, and that individuals without a wide knowledge of fire and casualty insurance fundamentals cannot hope to complete them successfully.

For the coming school year each candidate must present a completed application in advance of the formal registration date, and this will be passed upon by the appropriate faculty committee. Formal registration will be held from 11 a. m. to 3 p. m. on Friday, Sept. 8, in the auditorium of the Insurance Exchange Building, 175 West Jackson Blvd., Chicago, but registration will not be permitted without an approved application. Application blanks can be secured from Prof. John Ahern, Illinois Institute of Technology, 3300 South Federal St., Chicago, or from members of the Chicago chapter of the Society of Chartered Property and Casualty Underwriters.

Warner in Wash. Field

Jack R. Warner has been named special agent for Glens Falls in eastern Washington and northern Idaho with headquarters at Spokane.

Starts with Fireman's Fund

Mark V. Campbell, Jr., has entered upon his business career, with Fireman's Fund in the marine department at Chicago. He is a recent graduate of Loyola University. His father who died just a few months ago, for many years was western marine manager of Automobile.

WHERE TO PLACE YOUR BUSINESS

A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

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Insurance Exchange Building
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MICHIGAN

Detroit Insurance Agency

G. W. Carter, Pres.

H. L. Newman, Vice-Pres.

Louis J. Lopper, Sec.-Treas.

Fisher Bldg.

Detroit, Mich.

WISCONSIN

Chris Schroeder & Son, Inc.

210 E. Michigan St., MILWAUKEE
Engineering Services—All Lines

The largest insurance agency in the State of Wisconsin

Coats & Burchard Company

Appraisers

For correct coverage
and proof of loss

Chicago

Detroit

Cleveland

Indianapolis

New York

Nashville

Dallas

Burlington

N. C.

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The Pioneer Organisation

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THE NATIONAL UNDERWRITER

Circulation Department
420 E. Fourth Street, Cincinnati 2, Ohio

Successful Farming Has Article on Hail Insurance

The July issue of Successful Farming magazine contains a story by H. L. Tinley entitled "Buy Hail Insurance?" that gives advice to farmers about how to buy crop-hail coverage.

The author says it is his observation that most policies are written for twice the necessary amount, or not written at all. He described the case of a man who bought more than enough hail insurance in his first year as a farmer and, having no losses, neglected to purchase it for the three succeeding years and was put out of business by hail.

Mr. Tinley says the common-sense way to figure how much the farmer needs is to determine what expenses must be met and whether or not a crop is raised. For example, if there is \$1,200 needed to pay the bills, this is the figure that should be considered first when buying hail insurance. Not the value of the crop, which might be two or three times this figure. The first \$1,200 the farmer takes out of his farm is more important than the next \$1,200.

The article indicates that hail insurance should be considered a necessary item by most farmers. The premiums are tax-deductible year by year.

The author advises against farmers being swayed to the extreme of no insurance or to that of over-insurance whereby the premiums become a liability.

Another Vote Against Wind, Auto Deductibles

From Anthony Cipares, local agent of Michigan City, Ind.:

Your Aug. 3rd magazine, page four "Agent Protests Talk of New Wind, Auto Deductible," I wish to state that there is an error. Instead of "Agent" it should have been "Agents" for we of local board in Michigan City are definitely opposed to comprehensive deductible and fire and windstorm deductible.

Mr. Perkins is very well qualified and is an intelligent person with 31 years of service in the insurance business (of course, I only have 20 years of experience) and I agree with Mr. Perkins 100% and not only myself but local board of Michigan City, Ind.

Therefore, I would like more general agents express their opinion in your column.

Canadian Setup Changed

John B. Hall has resigned as joint manager of National of Hartford group in Canada. Charles C. Hall who has been joint manager remains as manager. Resident Manager J. W. Teskey of United National Indemnity will continue to supervise the casualty and allied lines, and Assistant Manager D. R. Baldwin of the fire companies will continue to supervise the fire and allied business.

Named to Institute Faculty

Three additional members have been named to the faculty for the annual institute for advanced agency management, scheduled for the week of August 14 at the University of Connecticut. They are Carleton Clift, coordinator of New England Mutual Life, who will lecture on work simplification; Howard Dana Shaw, direct mail consultant, who will lead the sessions on business letter-writing, and Frank H. Beach, professor of marketing at the University of Illinois, who will discuss sales and salesmanship.

Tell Why Claims Are Denied

NEW YORK — Insurers, and self-insuring employers, have been asked to be more public-relations-minded in explaining to employees why claims for New York disability benefits have been disapproved. As an example, Miss Mary Donlon, chairman of the workmen's compensation board, says in a claims bulletin that it is insufficient to state merely that a claim is rejected because "disability began before July 1, 1950." The employee knew when his disability began when he filed his claim, she points out, suggesting that an explanation be added telling him that disability incurred before that date bars a claim for disability continuing afterward. "He usually would not have filed his claim if he understood this," her letter states.

Hail Results Look Good

MINNEAPOLIS—With much of the small grain in Minnesota cut and the harvest beginning in North and South Dakota hail liability is decreasing with a favorable loss record thus far. Because of unusually cool weather all summer there have been few severe hail storms in this area and unless they develop in August hail writing companies are due for a favorable year.

Tennessee School Deferred

Sessions of an agents training school, sponsored by Tennessee Assn. of Insurance Agents, scheduled in four major cities between Sept. 18 and 23, have been deferred.

A.M.A. Insurance Dates

The insurance section of the American Management Assn. will hold its conference Nov. 16-17 at the Drake Hotel, Chicago. The spring conference next year will be May 14-19, Hotel Statler, New York City. The latter includes a

seven-hour session of the type launched this year, for three days following the regular conference.

Aid Civil Defense

WASHINGTON—N.A.I.A. members throughout the country will be asked to participate in the development of state and local civil defense programs, as the first step in a campaign of national cooperation with the national securities resources board, President O. Shaw Johnson announced.

Sullivan vs. Crane

Frank Sullivan, Kansas commissioner, won the Republican nomination for commissioner by a large majority over Eunice R. Hyre, Lawrence, a former department employee. Lawrence R. Crane, John Hancock, Wichita, won the Democratic nomination over Rex Allen, Kansas City.

George A. Christensen, manager of Bear River Mutual of Utah, has been appointed to preside over the Australian mission of the Latter Day Saints Church. He is a former Utah legislator and was instrumental in the passage of the 1947 "model" insurance code.

Old and New in Ill.

J. Edward Day, who is expected to succeed Harry B. Hershey as Illinois insurance director Sept. 1, has been closely associated with Gov. Stevenson as a member of his staff. He practiced



H. B. Hershey



J. E. Day

law at Chicago and is a graduate of Harvard law school. Mr. Hershey is a member of the Taylorville law firm of Hershey & Bliss, and his son is also a member of that firm.

The Callaghan-Braun agency has opened an office at Warrensville, O.

Senate OK's War Bill

WASHINGTON — The Senate has passed the marine war risk bill. There was no objection to and practically no discussion of the bill, which was passed with amendments recommended by the Senate commerce committee, also one suggested by Senator Schoeppel, Kansas, to limit the Secretary of Commerce's authority to write insurance and reinsurance to five years from date of enactment of the bill.

OK Chubb's Dwelling Cover

New Jersey has approved the combined additional coverage for dwellings of Chubb & Son.

The group's fire deductible plan has been okayed or is in use in 17 states.

The mid-year executive board meeting of National Assn. of Insurance Women has been set for Oct. 14-15 at the Hotel Kansan, Topeka.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

Aug. 7, 1950		
Aetna Casualty	3.00	88 92
Aetna Fire	2.20*	51 53
Aetna Life	2.50	50 52
American Alliance	1.20	23 24
American Auto	2.00	46 50
American Casualty .....	.80	15 16 1/2
American (N. J.) .....	.90	18 19
American Surety	3.00	54 56 1/2
Boston	2.40	52 54
Camden Fire	1.15*	21 22 1/2
Continental Casualty	2.50*	51 53
Fire Association	2.60	56 57 1/2
Fireman's Fund	2.60	82 84
Fireman's (N. J.) .....	.60	19 20 1/2
Glens Falls	2.20*	46 48
Globe & Republic .....	.50	10 11 1/2
Great American Fire	1.30*	27 28 1/2
Hanover Fire	1.60	30 31 1/2
Hartford Fire	3.00*	114 116
Home (N. Y.)	1.60	31 33
Ins. Co. of North Am.	3.50*	101 103
Maryland Casualty .....	.80	14 17
Mass. Bonding	1.60	26 28
National Casualty	1.50*	29 30 1/2
National Fire	2.50*	54 56
New Hampshire	2.20	42 44
New Amsterdam Cas.	1.50	33 34
Ohio Casualty	1.20	59 Bid
Phoenix, Conn.	3.00*	71 73
Preferred Accident .....	...	3 1/2 4 1/2
Prov. Wash.	1.40	29 31
St. Paul F. & M.	3.00*	97 100
Security, Conn.	1.60	30 32
Springfield F. & M.	2.00	43 45
Standard Accident	1.60	31 33
Travelers	12.00	415 423
U. S. F. & G.	2.00	44 46
U. S. Fire	2.00	66 68

* Includes extras

Fascinating First Facts!



THE FIRST CASH REGISTER

On a trip to Europe a businessman of Dayton, Ohio, J. J. Ritty, saw a recording device on the steamship which marked the number of revolutions of the ship's propeller. This gave him the idea for the cash register, patented in 1794.

Today's businessman has many insurance needs. You can ring up plenty of sales with the up-to-date policies of the Saint Paul Companies.

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PACIFIC DEPT.
Mills Building
San Francisco 4

AND THEN THE CLIENT SAID **NO!**



The agent had said all the right things. He'd pointed out the risks, told the whole story, and answered objections. He'd been convincing, agreeable, and brief. But still the client said NO!

Such situations arise in spite of everything the agent can do. Pearl American recognizes that it takes teamwork between company and agent to turn tough customers into YES men. That's why we make it a point to treat agents' problems as our own problems. Without the company's flexible attitude, prompt service, good reputation, and expert underwriters' and fieldmen's advice, the agent's best efforts are often only half the battle.

To win the entire battle, more and more agents and brokers are finding that it pays to be on the team with Pearl American.

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PHILADELPHIA, 436 Walnut Street
SAN FRANCISCO, 369 Pine Street

NEW YORK, 26 Cliff Street
CINCINNATI, 1423-24 Carew Tower
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NEW YORK UNDERWRITERS
INSURANCE COMPANY



90 JOHN STREET, NEW YORK 7, N. Y.

Fire • Automobile • Inland Marine

since 1864

Ask Explosion Manual Change

(CONTINUED FROM PAGE 1)

cation and it has caused difficulty in individual cases. Acceptance of riot or vandalism lines under strike or riot conditions thus is left up to individual companies to handle as an underwriting matter.

Optional Peril Policy

Explosion aircraft and vehicles policies and forms are badly outmoded, and the association recommends their replacement with the optional peril policy and form. The optional policy will be used to write explosion; explosion and riot and civil commotion; explosion, riot and civil commotion and vandalism and malicious mischief; and, individually, or in conjunction with any of these combinations, aircraft and vehicles damage to property.

The reference in the explosion manual to "unsprinklered" property has been eliminated on both fire and business interruption because under the existing rules these coverages often were subject to different treatment than fire insurance on the same property. With the association's recommendation in this respect, the inconsistency would be eliminated.

U. & O. Charge Eliminated

Under business interruption, the 25% increase in vandalism rates has been eliminated as have also the loadings for special structures. Also, it is no longer necessary on underground coverage to apply the fire formula to the property damage rate and add a loading for the underground endorsement since final rates now are shown in tabular form on a cumulative basis. The limited and broad underground endorsements have been reworded to define the coverage more clearly. The rule on off premises power, etc., under contingent liability has been condensed and additional charges shown on a cumulative basis. Also under contingent liability the rule dealing with plants furnishing or receiving materials or parts has been revised to follow latest recommended fire practice in that rates shall be 50% of the highest business interruption rate of any named plant.

There is no basic change in the rule on cancellations but it has been edited and includes the non-cancellation feature and provision for retaining 90 days premium in event of cancellation by insured which previously were a part of the deleted trebled rate rule.

Coal Mining Properties

Available coverages on coal mining properties are more clearly and concisely outlined. The rates have been deleted from the occupancy index and are shown in rule 5 so that all rating information is in one place. Some of the special clauses have been reworded for increased clarity.

The minimum permissible percentage of coinsurance is reduced from 25 to 10. Where the law prohibits use of coinsurance the no coinsurance rate is reduced from 10 times the 50% coinsurance rate to five times the 80% coinsurance rate.

On off premises explosion all occupancies now take 80% rate of .01 per annum. Rates for greenhouse structures in glass now are shown on a cumulative basis. Rates for mortgagee interest have been reduced and are shown on a cumulative basis.

For aircraft and vehicle damage to property, on class A property of fire resistive construction, or fire resistive except roof, the rate is reduced from .011 to .01. Drive-in theaters and hydrants and parking meters have been added.

Fewer Occupancy Grades

Under explosion the number of occupancy grades for rating has been reduced from seven to four. Up to D rates are the same. For occupancy D the rate formerly was .14; this is now group C

with a rate of .08; for E the new E rate is the same, .25, but for old F and G rates were .32 and .53 and now are classified as E with a .25 rate. The number of rate groups were reduced to eliminate unnecessary refinement and provide permissible reductions in rates for favorable experience.

For riot and civil commotion under aircraft and vehicles damage to property the 80% coinsurance rates were revised as follows: Grade 1, formerly .007, now .01; grade 2, formerly .03, now .02. This 33½% reduction for grade 2 occupancies more than offsets the slight increase in rate for grade 1 brought about by rounding out the rate at .01 for convenience and simplification.

For vandalism and malicious mischief the number of rate groups by occupancy has been reduced from six to four. Occupancy group R, formerly .014 is now .01; S is the same at .03; T, formerly .04 now is S at .03; U, formerly .07 is now V at .10; V, formerly .11 is now .10 and W, formerly .7 stays at .7. The majority of occupancies are in group R, the rate for which has been reduced. There are only nine occupancies in group V comprising principally seasonal property and only four in group W comprising vacant or idle property.

Term Multiples Uniform

As to term policies the rule now provides for term at uniform multiples of the annual rate where previously it directed that the term rule for fire insurance apply. Since the fire term rules vary, the effect of this will be to secure uniform treatment of term business countrywide.

Provision is now made for specifying the number of days beyond 30 for which the vacancy endorsement provides cover at pro rata of the rate.

The method of determining average rates and several changes in the occupancy index were made with the assistance of a committee of experts on chemical hazards. The potential explosion hazard in the light of current knowledge was reappraised, even to the point of differentiating between processes for manufacture of the same product where necessary, and properly to correlate each occupancy to every other occupancy within the framework of the new rate structure. Terminology of the entries also was edited either to describe the occupancy more accurately or to provide differentials in rates for plants manufacturing the same product by different processes with varying degrees of explosion probability.

Zone 3 Fall Meet Is Slated for Oct. 16-17 at St. Louis

The fall meeting of the Zone 3 commissioners has been set for Oct. 16-17 at St. Louis. The chairman is Spalding Southall of Kentucky.

W. Ellery Allyn of Connecticut, president of N.A.I.C., will attend. Headquarters will be the Statler hotel.

Industry representatives planning to attend can make advance reservations with Powell McHaney, executive vice-president, General American Life, St. Louis.

N. J. Tentative Program

The tentative program for the New Jersey agents association annual meeting at Hotel Claridge, Atlantic City, Sept. 25-26 includes an executive committee session to be held at noon Sept. 25. Afternoon sessions will open at 2 p.m. on Sept. 25 and Sept. 26. At 10 a.m. there will be a general business session. The meeting will be closed after luncheon and installation of officers Sept. 26.

President H. Earl Munz of Paterson has appointed the nominating committee headed by Peter Wilhelm of Hackensack.

FIELD

Aetna Fire Names Three To Coast Field Posts

Byron C. Erdmann, special agent at Portland, Ore., for Aetna Fire, has been transferred to Sacramento as superintendent of agencies. Former superintendent of agencies at Sacramento, J. Allen Haslam, has resigned to enter the local agency business.

Robert F. Young, who has been with the Pacific Fire Rating Bureau at Salt Lake City, has been appointed superintendent of agencies for Boise and southwestern Idaho and eastern Oregon.

Frank B. Soto has been appointed special agent and assigned to Portland.

Named by P. W. at Boston

Providence Washington has named William M. Bancroft as special agent for Boston and metropolitan Boston.

Mr. Bancroft, a graduate of Brown University, was formerly with National Fire in the Pacific Coast and New England territory. He served in the navy during the last war.

Komenda to Glens Falls

Glens Falls has appointed Rudolph R. Komenda, Jr., as special agent, assisting John A. Donoghue, special agent,

in eastern Massachusetts and Rhode Island.

Mr. Komenda attended Northeastern University, and in 1937 entered insurance at Boston as an underwriter. He served in the navy during the war.

Stauffer to National

National Fire has named Earl M. Stauffer special agent in Kentucky. He attended Carnegie Institute of Technology before entering military service in 1942, when he was both in the army air force and the navy. After the war he was employed by Kentucky Inspection Bureau and since 1949 has been with the Bradshaw & Weil general agency at its Paducah, Ky., office as special agent and engineer.

N. D. Federation Plans

The first annual meeting of Insurance Federation of North Dakota will be held early in October at Bismarck. It will run for a day and a half. The members are being solicited to suggest the type of program desired.

Change Indiana Dates

The dates for Indiana Assn. of Insurance Agents annual meeting have been changed from Nov. 13-15 to Nov. 20-22. Headquarters will be the Claypool hotel, Indianapolis.

CHICAGO

W.U.A. MEETING PLANS

Transportation plans have been perfected for the semi-annual meeting of Western Underwriters Assn. at the Greenbrier hotel, White Sulphur Springs, W. Va., in September. The train with the special convention cars leaves Chicago Friday, Sept. 15, at 1 p.m. standard time and the special equipment will leave White Sulphur Springs at 6 p. m. Sept. 20.

ASK DISMISSAL OF SUIT

The National Board and 17 member companies have filed a motion, through their attorneys, Mayer, Meyer, Austrian & Platt, in federal court at Chicago to dismiss the anti-trust suit brought against them by Ruddy-Brook Clothes, Chicago manufacturer and jobber of men's clothes.

The motion states that an insurance company can accept or reject a risk as it sees fit and, therefore, regardless of Ruddy-Brook's contentions, there is no case at law.

Ruddy-Brook brought the suit alleging that subsequent to a 1947 fire it was unable to get cover because the National Board and its member companies "boycotted" Ruddy-Brook.

JOIN ALEXANDER & ALEXANDER

Allan Johnson and Norman H. Warren have joined the Chicago office of Alexander & Alexander brokerage firm of Baltimore. Mr. Johnson has been with Zurich in the casualty department, and Mr. Warren has been in the New York office of the firm in the marine department.

Alexander & Alexander opened in Chicago in 1938 as a service office for accounts in the territory, and in 1948 was converted to a branch office and John S. Grasty, vice-president, transferred from New York.

Wilkinson Baraboo Chief

Formation of Baraboo (Wis.) Assn. of Insurance Agents has been completed and the following officers elected: Clark Wilkinson, president; Charles Coughlin, vice-president, and Phillip Hirschinger, secretary. The group is already active in the fight of local agents to retain the city business. At a recent meeting of the common council, Harvey Girard, state agent Providence-Washington, and Urban Krier, executive secretary Wisconsin association, appeared with local agents to discuss state fund insurance.

Boris M. Stanfield, visiting professor of economics at University of Hawaii, addressed the meeting of Insurance Women's Club of Honolulu on the Korean situation and Russia.

WANT ADS

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COMPANIES

Aetna Fire Half Year Results Shown

The Aetna Fire group in its midyear report shows premiums written on a consolidated basis for the first six months \$53,425,965 which is an increase of \$1,060,122. Premiums earned were \$48,390,879, increase \$837,037; losses incurred \$22,928,668, increase \$1,910,998, loss ratio to written 42.92, increase 2.78; loss ratio to earned 47.38, increase 3.18; expenses incurred \$24,419,135, increase \$869,434, expense ratio to written 45.71, increase .74.

The premium reserve for the entire group increased \$5,035,085 during the six months to a total of \$88,105,928.

The total assets of the group amounted to \$178,365,563, which was an increase of \$6,419,905; conflagration and miscellaneous reserve is \$5 million, capital \$10 million and net surplus \$32,753,119, which is an increase of \$789,867.

President W. Ross McCain observed that the market value of stocks as of June 30 reflects the initial impact of the Korean situation on the securities markets generally. High federal income taxes have influenced the investment operations considerably. Purchases of securities, both for new money and for reinvestment have been confined almost exclusively to tax-exempt state and municipal bonds of high quality. The trend of fire losses which has been down for the past two or three years, has now been reversed and for the first six months of 1950 shows an increase. In addition the windstorm losses in the middlewestern states have been unusually heavy this year. In spite of the increase in losses Mr. McCain states that the prospects for a profitable year in 1950 seem good.

Ohio Agents Incorporate Cincinnati Ins. Co.

Cincinnati Ins. Co. has been incorporated to write fire and allied lines, inland marine and auto physical damage. The company, it is expected, will begin underwriting business in September or October and will have a capital of \$100,000 and \$100,000 surplus. It will be owned by Ohio agents. The home office will be 2926 Central Parkway, Cincinnati.

The original Cincinnati Ins. Co. was chartered before the Civil War and later went out of business.

Incorporators are Vincent H. Beckman, Jr., Robert C. Schiff and John J. Schiff, Jr., the latter two being the principals of the John J. Schiff agency at Cincinnati, at the Central Parkway address.

Among the agents who will be directors are Harry Turner, Turner agency, Springfield, and Guy Nearing, Nearing-Huber of Bowling Green.

Mr. Beckman is a partner in the law firm of Beckman & Beckman of Cincinnati.

Hanover Shows Gains in Midyear Statement

Hanover Fire has published its midyear statement showing assets of \$40,979,000 which was an increase of about \$700,000 as against Dec. 31, 1949. Premium reserve was \$18,569,418, an increase of better than \$700,000. Capital was \$4 million, voluntary reserve \$500,000, and net surplus of \$8,909,319. Policyholders' surplus was \$13,409,319 as contrasted with \$12,737,090 at Dec. 31.

McGlothlin Named President

Ralph McGlothlin has been elected president of Farmers Mutual Fire of

Gallatin, Tenn., succeeding Dr. W. J. Fitts, who resigned after having served as president since the company was founded 10 years ago.

Denver's City Insurance Transformation Is Cited

Business Week in its July 22 edition had an illustrated article entitled, "Denver Unsnarls Its Insurance Setup." The story was that the Denver authorities have finished a "thorough house-cleaning of a messy insurance situation." The article went on to state the heads of city departments had been buying their own insurance and that politics and personal favoritism entered into the system. The local agents were fighting for business that never amounted to an aggregate of more than \$25,000 a year. Many city buildings were either under-insured or not insured at all and some ancient buildings were heavily insured.

Mayor Newton enlisted the aid of Denver Assn. of Insurance Agents and that organization under C. W. Schoelzel, Jr., as chairman helped city officials to work out a new program to put one man in charge of buying all the insurance.

According to this article, the city carries all risks that it can pay out of revenue. Usually the city self-insures risks of less than \$100,000. But where big losses would make a real hole in the budget insurance is carried. The members of the Denver association agreed to write the insurance in rotation. There is a top commission of \$50, and this is turned into a "kitty" to be divided at the year's end according to the amount they pay into the association.

Pa. Field Men Get Break

Salaried field employees of fire and casualty companies are relieved of certain requirements in Pennsylvania in expanding their status under multiple line underwriting by ruling of Commissioner Leslie.

Salaried field employees of fire or casualty companies who have been licensed as an agent of their companies for a minimum of five years, may have their license privileges extended to embrace fire, casualty and allied lines without formal examination. Where the representative has been strictly a fire man, the powers and duties, as extended will read "fire, casualty and allied lines." If the casualty authority is restricted to motor vehicle B.I. and P.D. then the powers and duties will read, "fire and allied lines and motor vehicle public liability coverages." If the field man has been in casualty in the past his powers and duties will read "casualty, fire and allied lines," and if the added authority is restricted to motor vehicle coverage then it will read "casualty and allied lines and motor vehicle physical damage coverages."

Mr. Leslie states that he is waiving the examination requirement for such employees because they generally have had much insurance experience and are subject to direct supervision by their employing companies.

1,900 at Portland Outing

The annual picnic of Portland (Ore.) Assn. of Insurance Agents at Jantzen Beach attracted a record turnout of over 1,900 insurance people. Many special events, including a softball game between the local agents and special agents, a horseshoe pitching contest, racing, swimming, bathing beauty contest, dinner and dancing were enjoyed.

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North America Files Installment Plan Brief in Arkansas Hearing; Expect Decision Soon

LITTLE ROCK—The Arkansas department has received the completed brief of the North America presenting its side of the installment premium payment issue under the hearing which was begun last March. Arkansas Inspection & Rating Bureau and Arkansas Assn. of Insurance Agents already have submitted their briefs. A decision by Commissioner Graves is expected shortly.

North America's brief, prepared by its assistant counsel, John C. Phillips, argues that its installment endorsement is not a deviation under the Arkansas rating law but is simply a form of cover that is not provided by the bureau. Therefore, it contends, the bureau has no standing as a party opponent to the use of the endorsement and that the proceeding before the commissioner should be terminated without prejudice to the use of the endorsement.

North America challenges the bureau contention that it represents a deviation from its term rule. The term rule itself contains no requirement for prepayment of the premium. The term rule, and all other rules, rates, schedules and plans filed by the bureau with the commissioner, are wholly silent as to the time of payment of premium. It has been the practice in the fire field for term premiums, as well as other premiums, to be paid at inception of the policy. There is, however, no filing with the commissioner that requires premiums to be prepaid. Counsel adds that the endorsement is a departure from a "practice" and not a deviation under the terms of the rating law.

Approved by Department in 1946

The brief points out that the department first approved the installment plan in 1946 after it had been filed by the bureau and that department approval had been continued since that date. When in the fall of 1947 the present Arkansas fire rating law became effective, North America requested and received approval under that law. At no time in any of the correspondence with the department did either North America or the department characterize the filing as a deviation. The bureau itself first characterized the plan as deviation on its own motion in 1946 but failed to specify from what the endorsement deviated.

To the question whether the endorsement represents a deviation from the rule for unearned premium insurance, North America contends that its endorsement "is no more a variation of the latter than an automobile is a variation of a horse; it is a wholly new form of coverage." The endorsement provides that the amount of insurance provided shall not be reduced in the event of a loss. The unearned premium endorsement obliges the insurer to pay the policyholder the amount of the unexpired premium which becomes earned because of any loss.

North America argues that the endorsement is an enforceable obligation and that opponents to the plan attempt to confuse the issue by stating that it is not a legally enforceable obligation. "It is as legally enforceable as any written contract. What they mean is that it is not a negotiable instrument, which is another matter entirely."

The brief answers some of the arguments against the plan the bureau has submitted in its presentation to the commissioner. One of these was that North America should not be permitted to write term policies on a prepaid basis and on an installment basis simultaneously. North America answers that its endorsement is simply an additional form of cover which may be added at the policyholder's option for extra charge—no different than a number of other special covers available to assured for attachment to the basic fire policy.

To the bureau's allegation that the endorsement is unfairly discriminatory because it gives automatic reinstatement to installment buyers only, North America contends that the term policyholder has a free choice of either prepayment (which is less expensive) and unearned premium insurance or the installment endorsement with full automatic reinstatement and, hence, is not being unfairly treated. "For this difference in treatment moreover, the installment policyholder pays an additional charge. Of this charge .1% is for the automatic reinstatement cover in the endorsement."

"If the commissioner believes the bureau's argument well founded the North America is prepared to solve the problem by granting full automatic reinstatement to all fire insurance policyholders without charge. The cost of such reinstatement is so insignificant it could readily be made available to all fire insurance policyholders with no change in the rate structure or damage to insuring companies. Substantially the same thing has been done in Texas by the insertion in the standard fire policy of an unearned premium clause."

The bureau argued that healthy and necessary competition would be stifled through the use of the plan on the ground that small and medium sized companies are unable to meet the unearned premium reserve requirements which are consequent of treating the installment contract as a fire-year term contract because of the drain on surplus. To this North America answers that the department has ruled that unearned premium reserves need to be set up only for premium actually collected.

"Nevertheless, the bureau argues that the unearned premium reserve requirements of other states than Arkansas are such that companies doing business in those states as well as in Arkansas, must obey the stricter requirements. Thus, the bureau asks the commissioner to withdraw approval because the law of other states is more strict than that of Arkansas and in so doing asks the commissioner to enforce in Arkansas the law of other states."

Mr. Close's (Charles M. Close, vice-president of Great American, chairman of the bureau's executive committee) example of the effect of following the stricter rule regarding unearned premium reserve is based on three assumptions, none of which are valid. They are that (1) all companies reinsure 50% of installment policies, (2) these companies receive a 35% allowance on the reinsurance, (3) these companies must pay their reinsurers the full term premium in advance. It may well be that Mr. Close's company automatically reinsures 50% of all risks, but it is by no means the standard in the industry, particularly on dwelling policies which are the bulk of installment business. The assumed 35% reinsurance allowance to the ceding company is low. The higher it gets, the more opportunity for profit to the ceding company. Even in Mr. Close's example, it should be obvious that it is profitable to pay 25% commission on business which may be reinsured for 35%. Finally, it is not necessary to pay the entire term premium to the reinsuring company at the inception of the policy. It may be necessary for Great American to do this because of its reinsurance treaties, but the fact is that there are three large reinsurers in the American market which handle reinsurance of installment business on an installment basis, requiring cession of premiums only as they are collected.

"Reinsurance, which is a fundamental part of Mr. Close's example, is not a matter subject to rate regulation but is wholly a matter of contract between the ceding and reinsuring company which follows no set pattern."



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EDITORIAL COMMENT

Management Skill Is Essential

The comment that "the two basic ingredients of an executive are technical competence and management skill, and the greater of these is skill," made by President Lawrence A. Appley of the American Management Assn. is especially appropriate because of the attention insurance executives have been paying in recent years to the development of management potential in their ranks.

Mr. Appley points out that the argument has gone on for decades between two schools of thought and practice: Should managers be picked because of technical know-how and experience in the activity to be managed, or because of skill in planning, organizing, coordinating and leading human effort, what technical know-how they lack being provided in staff selection?

A combination of both technical competence and management skill is ideal but not always available. With two men, one with know-how only and the other with skill only, which would be selected?

He believes the major lesson of the

last war is that conclusively management skill is essential, while technical competence is highly desirable but not essential. Thus executives who had managed huge automobile plants were highly successful in producing tanks and planes. The makers of soft drinks loaded ammunition bags. And so on.

Another question is whether a person is born with management skill or acquires it. Mr. Appley's conclusion here is that the young man may have a natural talent for management and can learn faster, but he must learn if he is to reach full potential. The experience of Mr. Appley's association shows that what he learns is something more than specific procedures and techniques. Executives in retailing listen eagerly to the experience of those in manufacturing, production men learn from personnel men and vice versa. They are not acquiring strictly technical knowledge, because for that they would need to turn only to men in their own fields. It is skill in the art of management itself they are picking up.

PERSONAL SIDE OF THE BUSINESS

Herbert J. Lorber, president of the Rollins-Burdick-Hunter agency of Chicago, has been elected a director of Booth Fisheries. The board was increased in number from seven to eight and Mr. Lorber was elected on motion of the management. He is also a director or trustee of Gulf, Mobile & Ohio Railroad, Arlington Park Jockey Club, Kensington Steel, Georgia Warm Springs Foundation, Transportation Assn. of America, Music Foundation, Finance Publishing Corp., and National Foundation for Infantile Paralysis.

Herbert F. Walton, vice-president and controller of Allstate, will direct a meeting of fire and casualty controllers at the 19th annual meeting of the Controllers Institute of America in Chicago, Sept. 17-20.

Walter A. Schaefer, local agent at Newark, and Mrs. Schaefer have returned from a two-month trip abroad.

Robert W. Leedy, Ohio special agent for Crum & Forster, fell out of an apple tree recently and his pelvis was broken. He will be laid up for a month.

Junius P. Clark, who retired a number of years ago as executive special agent for New York Underwriters with headquarters at Chicago, is in the midst of his annual northern trip from his base at Ft. Lauderdale, Fla. He is visiting his daughter and his son at Chicago and then will go to Springville, N. Y., to visit his mother who is now 91 years of age.

Clarence A. Cook, who retired about

15 years ago and was general agent in Indiana for Fidelity-Phenix, is used as the person about whom a Hoosier atmosphere is built in an article in the August issue of Holiday magazine. He is the uncle of the author, William E. Wilson, and Mr. Wilson says that Mr. Cook, now in his seventies retains his youthful appearance, mind and spirit.

Richard Fitzgerald, assistant superintendent of the brokerage department of Fireman's Fund at Chicago, has reported for active duty as a member of the army air force reserves. He was a master sergeant.

J. Ross Moore, manager of National Automobile Underwriters Assn., is on a visit to Denver this week.

Arthur M. O'Connell, president of Cincinnati Fire Underwriters Assn., spoke on state monopolistic insurance proposals before Cincinnati Assn. of Credit Men Tuesday.

Roy A. Buckman, retired adjuster and field man of Royal at Chicago, who has been making his home at Lake Wales, Fla., is visiting Chicago for the summer. He is staying at the Orrington hotel, Evanston.

Say Amen to "Leave Us Not Go Overboard"

From R. Hill Carruth, well known Chicago local agent and broker:

Your editorial, "Leave Us Not Go Overboard," in the July 27 issue of THE NATIONAL UNDERWRITER, is timely and stimulating. I have read it with a feeling of genuine pride. We still have in our country thinkers who adhere to the well-established conservative style of letter writing.

In my judgment, it is time to call a halt, not only in our sloppy use of the English language, but also in our style of dress and loose thinking. I was shocked to learn recently that some of our modern schoolteachers discouraged their pupils in using the expressions of "yes sir" and "no sir." The shabby dress of our teenagers in their class rooms and on the street, girls wearing tight-fitting jeans and sloppy "Joes" and the boys in their ill-fitting overalls and uncombed hair, breeds disrespect and a lack of appreciation of the finer things in life.

I agree with your expression, "Letter-writers who blindly followed the old rules are in danger of blindly following the new rules." True, we must keep abreast of our times. We should not lose sight of the human equation, and strive at all times to convey warmth and understanding. It is no time, however, to slang or jazz our letter-writing. Of all the places not to let down the bars, it is in the use of proper English and smooth thoughtful writing.

I congratulate you and your staff on your well balanced and newsy, NATIONAL UNDERWRITER.

From Miss Clare Fennell of Fred A. Ginsburg & Co., Detroit:

You are to be commended on the editorial in the July 27 issue "Leave Us Not Go Overboard."

As one who has viewed with regret, if not alarm, the invasion of the white-collar field by an army of poorly equipped clerks who, before World War II would have been restricted to manual work by their educational limitations, I am happy to see my trade journal upholding decent standards in the field of written expression.

Simplicity of expression needs its champions (especially in insurance, I sometimes think) but rhetoric was developed for a purpose; why not use it?

DEATHS

James D. Smart, New Hampshire Fire President, Dies

James D. Smart, 68, president of New Hampshire Fire, Granite State and American Fidelity, died unexpectedly of a heart attack at West Harwich, Mass., while on a motor tour of New England. Mr. Smart had been due back at his desk Monday. He had intended to spend a few days at Cape Cod, but he had a heart attack at his hotel at West Harwich Thursday night and a second attack Friday morning. He died before the physician who attended him arrived.

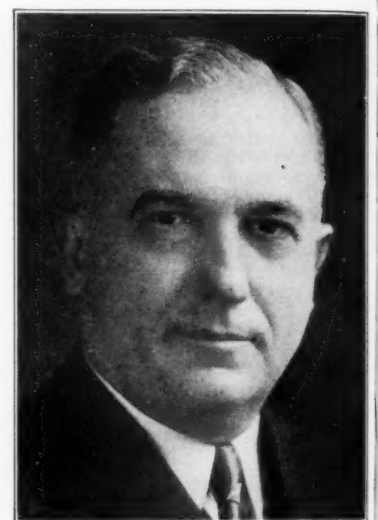
Mr. Smart was born at New London, Prince Edward Island, in January, 1882. He started with New Hampshire Fire in

1901 at the home office. In 1912, he was put in charge of the Manchester local office and four years later was appointed special agent in eastern Massachusetts. He was named supervisor of business in New Hampshire and Vermont in 1919 and in 1928 was appointed general agent.

Mr. Smart became secretary of New Hampshire in 1930 and three years later was named a vice-president. In 1938 he became president of both New Hampshire and Granite State and was elected president of American Fidelity this year.

One of his sons, Quintin D. Smart, is a local agent at Manchester.

B. REES JONES, president of Town Mutual Dwelling of Des Moines, died of a heart attack while playing golf there with a group of insurance men. Mr. Jones started in insurance as a



B. REES JONES

clerk for the old Des Moines Life in 1903. He went with Town Mutual in 1906 and became assistant secretary in 1915, secretary in 1916 and president in 1931. Mr. Jones served as president of National Assn. of Mutual Insurance Companies in 1935 and as president of the Iowa association. He was chairman of Allied Mutual and a director of Iowa Mutual Tornado, National Life of Des Moines and American Mutual Reinsurance.

NARGE BEATTIE, state agent at Denver for Superior of Dallas, died at Denver. He was a local agent for many years at Dallas before going to Denver about five years ago for Superior.

FREDERICK WESSELS, president of Atlantic Mutual Fire, who died at his summer place at Hendersonsville, N. C., at the age of 73, was one of the leading citizens of Savannah.

Mr. Wessels started in 1893 as an office boy with the Savannah Insurance Agency and later went with W. Tremholm Hopkins. He was Savannah city marshal from 1907 to 1913 and was connected with that office for some time prior to that. While in that office he and a number of friends promoted the idea of forming a local mutual fire insurance company and Mr. Wessels

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone WAbash 2-2744. EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright, News Editor: F. A. Post. Associate Editor: R. B. Mitchell. Assistant Editors: Richard J. Thain, John C. Burridge. OFFICERS: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. St., Cincinnati 2, Ohio.

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MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103. Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street. Room 1127. Tel. Pennypacker 5-3706. E. E. Fredrikson, Resident Manager.

PITTSBURGH 23, PA.—503 Columbia Bldg. Tel. Court 2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-3054. F. W. Blanton, Pacific Coast Manager. John E. Caughman, Pacific Coast Editor.



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became its first secretary and its only
employe. He operated the business
after his hours at the city hall at first.

The original name of the company
was German Mutual Fire. It was
launched in 1905. The name was
changed to Atlantic Mutual Fire during
the first war.

At the time of his death Mr. Wessels
was president of Southern Savings &
Loan Co., and chairman of Atlantic
Insurance & Investment Co., and presi-
dent of Merchants & Farmers Mutual.
In 1934 he was awarded a trophy for
having made the most outstanding con-
tribution to Savannah for that year.
He was a director of National Assn.
of Mutual Fire Insurance Companies
and had been president of Savannah
Board of Fire Underwriters. His son,
Frederick Wessels, Jr., is vice-president
of the company.

HOMER B. MANN, senior member
of the Kansas City local agency of
Mann, Kerdolff, Kline & Welsh and veter-
an civic and political leader in his com-
munity, died unexpectedly of a heart at-
tack Sunday at the age of 81. He had
been at the office regularly and had not
been ailing.

Mr. Mann was born at Chester, Ill., in
1869, the son of a Presbyterian minister.
He attended Park College and then for
two years operated a newspaper at
Minot, N. D. He went to Kansas City
in 1894 and worked for the Drovers
Telegram. He became active in Repub-
lican politics and got a job in the city
hall in 1896. He later became superin-
tendent of the sidewalk and curb depart-
ment and in 1898 he was elected to the
legislature. In 1902 he was elected to
the city council of Kansas City and
served two terms, the last one as
speaker.

At the beginning of the century he
entered the insurance business with the
P. S. Brown & Sons agency which
eventually became Mann, Kerdolff,
Kline & Welsh. He served 25 years as
president of the board of trustees of
Park College, retiring in 1939. He had
been a power in Republican politics for
more than 50 years and was a delegate
to two Republican national conventions.
He was the sole survivor of the charter
members of the Missouri Republican
Club that was formed in 1897.

E. P. STONE, manager at Okmulgee,
Okla., for General Adjustment Bureau,
died of a heart attack at his home. Mr.

Stone had been with G.A.B. since 1936
and was named manager at Okmulgee in
1947.

E. J. BROOKHART, secretary-treas-
urer of Celina Mutual Casualty and Na-
tional Mutual of Celina, O., and one of
the mainstays in mutual organization
affairs, died Sunday at the age of 69.
Funeral services were held Tuesday. At
the time of his death he was vice-presi-
dent of National Assn. of Mutual Insur-
ance Companies and was next in line for
the presidency. He had just recently
been elected president of Insurance Fed-
eration of Ohio. He served as president
of Federation of Mutual Fire Insurance
Companies from 1947 to 1949. He was
the organizer of National Mutual in 1914
and of Celina Mutual Casualty in 1920.
He was a graduate of Ohio Northern
University and was a lawyer.

RUSSELL D. CHASE, Springfield
local agent and vice-president of Massa-
chusetts Assn. of Insurance Agents,
died at Springfield after several months
of failing health. He had been in the
business at Springfield since his gradua-
tion from Dartmouth in 1915. He was
first a broker and later operated his
own agency.

FRANK HEMPSTEAD, who retired
a number of years ago as western mar-
ine manager of Providence Washing-
ton, died at his home at Deerfield, Ill.

Mr. Hempstead was 84 years of age.
He served as marine manager of
Providence Washington from 1928 until
his retirement in 1938. Previously he
was with the Ellick-Hempstead agency
of Chicago.

RICHARD W. McCOSH, Caledonian
state agent for Louisiana and Mis-
sissippi, died.

BERT J. HULL, manager of the Pa-
cific loss department of Royal-Liver-
pool, died at Good Samaritan hospital
Los Angeles. He had been with the or-
ganization since 1924.

W. DAVIS McKAY, chief casualty
underwriter at Los Angeles for Royal-
Liverpool, died at a Santa Monica hos-
pital.

Mr. McKay started with Globe In-
demnity at Los Angeles in 1943.

GLENN S. BILLS, lawyer and veteran
local agent at Judith Gap, Mont., died
at a hospital at Billings at the age
of 71.

WILLIAM L. LYMAN, 90, for many
years a local agent at Spring Valley,
Minn., died.

BRUCE M. HAY, 54, local agent at
Spokane, died following a heart attack
at his ranch near Edwall. His father,
Marion E. Hay, was governor of Wash-
ington from 1909 to 1913. He was active
in the affairs of Washington Assn. of
Insurance Agents.

JOSEPH W. JOHNSON, Tennessee
state agent for America Fore group,
died at St. Thomas hospital, Nashville,
of a heart attack. He had been in the
Tennessee field for America Fore for
more than 25 years and was active in
field organizations.

George W. Nelson, independent adjust-
er at Chicago, is bereaved by the death
of his wife, **DOROTHY NELSON**, who
was stricken suddenly with a cerebral
hemorrhage and died at St. Francis hos-
pital, Evanston.

T. A. PRICE, 82, retired local agent of
Missoula, Mont., died there.

GEORGE L. VEITH, manager of the
New York City inland marine local de-
partment for America Fore, died at the
age of 57. He had been in the insurance
business since 1913 and had been with
America Fore since 1938.

DR. LIONEL M. DAWSON of Union-
ville, former assistant superintendent of
the medicine and hygiene department of
Travelers, died Tuesday at Restland
Farms, West Suffield, Conn. He had been
with Travelers in that post for more
than 20 years before retiring because of
ill health in 1946.

Agents who want QUICK SERVICE ON CLAIMS



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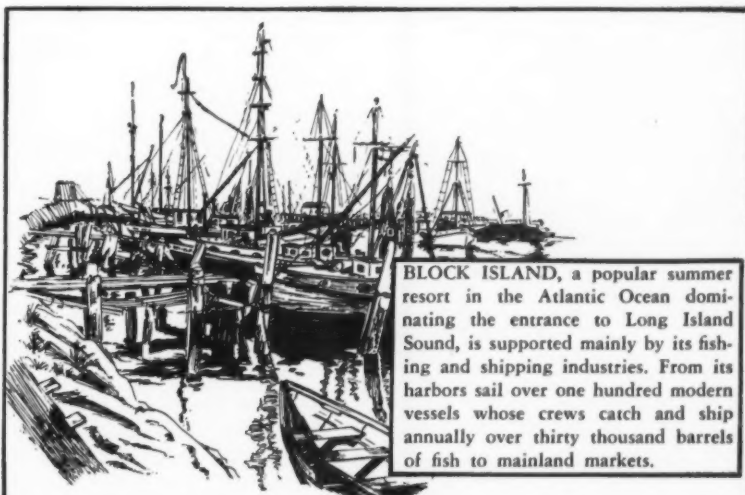
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Cincinnati 2, Ohio

Dec. 31 Is Deadline

New Jersey Commissioner Gaffney
has announced that all claims against
Burlington Mutual and Hackettstown
Mutual must be made no later than
Dec. 31. Both the companies were
taken over several months ago by the
New Jersey department.

John A. North, executive vice-presi-
dent of Phoenix of Hartford, has been
elected a corporator and trustee of
Mechanics Savings Bank of Hartford.



BLOCK ISLAND, a popular summer
resort in the Atlantic Ocean domi-
nating the entrance to Long Island
Sound, is supported mainly by its fish-
ing and shipping industries. From its
harbors sail over one hundred modern
vessels whose crews catch and ship
annually over thirty thousand barrels
of fish to mainland markets.

When the Old Harbor at Block Island was completed in 1878 . . . a
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Pawtucket Mutual Fire Insurance Company had been serving its
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sound underwriting principles which, to this day, foster dividend
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INCORPORATED 1848

PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY

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Discrimination Hearing Is Recessed Until Aug. 15

Answers to Complaints Show
Economic Reasons for Any Restrictions

NEW YORK—The hearing on complaints that fire and casualty insurers are discriminating against Negroes and others in certain sections of the metropolitan area was recessed till Aug. 15 by the state joint legislative committee on insurance rates and regulation.

Paul L. Bleakley, counsel of the committee, which is headed by Sen. William F. Condon of Yonkers, stated that the companies and agencies would have ample opportunity at that time to answer the complaints. Several indicated they would appear then, though Home, Glens Falls, Cosmopolitan Mutual, Allstate, and Security Mutual Casualty and five agencies put in testimony last week. All were emphatic in denying racial discrimination in the acceptance of business from Harlem or other areas, placed by white or colored brokers.

Williams Makes Sturdy Defense

T. Morgan Williams, vice-president of Home in charge of the metropolitan area, made a detailed and sturdy defense of his company and its underwriting practices. Home writes more business in Harlem than any other insurer, and it was natural, he said, that there should have been more complaints against it than any other company. In proportion to its business there, however, he added, the number was not at all large.

The testimony of company and agency witnesses, letters from colored brokers themselves, and the questioning of members of the committee, indicated strongly the conclusion that any underwriting restrictions applied are due to economic and not racial reasons. They are restrictions that are applied to any risk that is unprofitable or likely to be so. Many of the complaints go back to a time roughly three years ago when both fire and auto liability insurers were overloaded with business everywhere and many underwriters checked the quality of their producers to weed out those that were producing business with a high loss ratio or that were giving the company so little that the expense made the accounts uneconomical to handle.

SMALL ACCOUNT

Geo. F. Kern of Fuller & Kern agency commented on complaints made earlier this year involving his firm. Charles Axt made one complaint, charging the agency with failure to renew a 1946 policy on household furniture with premium of \$5. Mr. Kern was surprised at the complaint because he didn't know Mr. Axt, and the agency did no business with him. On investigation, he learned that the agency had Negro risks and some insurance in the same building as the risk to which Mr. Axt referred. The firm takes risks in the Harlem areas, building and contents fire.

What determines whether you will accept the risk, Mr. Bleakley asked. Exposure, experience in the area, etc., he replied. The agency makes inspections when the risk is insured. Later inspections may be called for if subsequent new or changed information warrants it. His underwriting is accepted by his companies. The agency exercises its own judgment. It avoids buildings where the structure is poor or housekeeping is bad. The Axt declination probably was due to the fact it was a single small policy.

Sen. Friedman expressed close interest in inspection reports and asked for some samples. Mr. Kern said the agency writes over the entire metropolitan area.

It does restrict to a minimum its writings in congested sections. No writings by area, he said, and no percentage figure commitments by sections is maintained.

Asks About Percentage Formula

Sen. Friedman wanted to know how he fixed amount to which writings are restricted in a congested area.

"We operate positively, seeking business in better, less congested areas," Mr. Kern said. "We have never told anyone we don't write policies in Harlem." By pressing for business in better areas the firm holds down its undertakings in congested areas. Agencies underwrite brokers as well as business.

Did you ever see a prohibited list, Sen. Friedman asked. Yes. They were never strictly followed, he said. There is no insurer list of properties not to be taken. The things it will accept change from day to day.

Glens Falls Testimony

Thomas E. Maddams, secretary of Glens Falls, New York, was asked about two cases involving Charles S. Frost and Sen. Santangelo. As to the latter, comprehensive and collision on Santangelo's own car, there were two losses, one of \$265 after deductible and a second covering breakage of every glass and door in the automobile. The claim on this was \$30. The Glens Falls underwriter renewed the insurance after the first loss and stayed on the risk. After the second loss he again reviewed the insurance and decided not to renew. The company wrote the broker it was not writing the comprehensive coverage in that (a congested) area.

Sen. Santangelo accused the company of being un-American, Mr. Maddams said. But the company wrote other insurance for Mr. Santangelo and offered to continue to do so though the remainder was not renewed or was cancelled.

The committee wanted to know how and when underwriting in that and similar areas was restricted. Mr. Maddams said loss experience causes the company to get off a risk. There is no general company policy. There is no rule, he answered Sen. Friedman, after a specified number of losses. There is no prohibited list.

Is Legislation Necessary?

Sen. Friedman said the committee was seeking to determine if legislation is needed to assure that risks in congested areas can get insurance.

In judging whether or not to renew, in congested or non-congested area, frequency and possibility of more losses are determining, Mr. Maddams added. Mr. Bleakley wanted to know if the company is writing this form of coverage in Harlem areas now, or since not renewing the Santangelo policy.

The company doesn't maintain an up-town office so Mr. Maddams knows of no brokers it has in Harlem. The company records aren't marked so they can be sorted as to area. He said he had no figures to show insured in Harlem.

Didn't Know Mr. Frost

Frank E. Tillotson manager of the New York branch office of Glens Falls said as to Mr. Frost's two complaints, they dealt with fire on buildings. They were declined, he said because the company didn't know Mr. Frost. He had never been in the office. Like other com-

(CONTINUED ON PAGE 20)

Interest Lack Hits Insurer Stocks

Main Factors Are
Apprehension of War
Damage and Profits Tax

NEW YORK—Failure of fire and casualty insurance company stocks to recover after having gone down with the market when it reacted to the Korean war news, though other common stocks have made substantial recovery, is due to three principal factors, according to those who watch the stock exchange and the insurance business closely. Perhaps the most important item is that insurer issues are not "war stocks." The big interest of investors is in such securities as steel, aviation, and similar lines, earnings of which immediately are stimulated by war. Here is where the major activity of stock buyers has been concentrated in the early weeks following outbreak of hostilities in the far east.

Security buyers that in the past have consistently favored insurance issues—trust officers, those buying for universities, and the like—appear to be holding off substantial purchases in this field because of the question of how vulnerable insurers would be in case of damage by atomic and other war weapons. As a matter of fact, these buyers have been asking and continue to inquire as to the effect of such damage on the insurance companies. They do this obviously because their finance committees keep asking the question.

Legislation May Take Time

It is pointed out that even if the government assumes the war damage risk, by some form of war damage corporation machinery, it may be a while before this is done. Meanwhile there is the potential liability.

The fire business has inserted the war exclusion clause in the extended coverage endorsement in some jurisdictions and is planning to do so country-wide; the exclusion is in inland marine policies, and the plan is to put it in fire policies. However, it is a slow process to get the exclusion in fire policies, some of which are statutory and require an act of the state legislature to change. Beyond this, even if the exclusion were authorized country-wide for the basic fire policy, it would require at least three years and in some instances five years to get it inserted in all contracts.

Apparently this is not a situation of serious consequence so far as buyers of insurance stocks are concerned; the fact that the stocks are not war stocks carries much more weight. However, at the moment trust officers and other buyers seemingly would rather recommend something sure for purchase.

A third reason, again of minor rather than major importance, in the view of observers, is the belief that an excess profits tax will be levied. If so insurers may not be in as favorable position as other businesses and possibly not in as good a position as they were in the second world war, unless the tax makes allowance for the peculiarities of the insurance business and the pattern of its experience since the last war. The year 1946 and 1947 were poor and if the base years for application of the tax are the last four years preceding the opening of the Korean war, those two years would be included. If only the last three years are taken, 1947 would still bring down the level of the three-year base more than insurers would like. This per-

(CONTINUED ON PAGE 24)

Auto Policy Changes Frowned On By Many

War and Claim Cost
Rise Cause Resistance
to Revision

Some changes in coverage afforded by the basic automobile liability policy have been under discussion by committees of bureau companies, stock and mutual, for some time. The discussion probably will continue in the fall, since these committees work continuously on suggestions for revision. However, the war has increased somewhat the reluctance that already existed on the part of several of those concerned in the negotiations, to effect the changes proposed.

Actually, the war bears less on the thinking of those who write automobile business than does the continued rise in severity of auto claim costs. The war could not produce losses directly under auto B.I. and P.D. coverage, though the plan is to put the modern war exclusion clause in the policies on account of physical damage cover. Since most auto policies are now full cover, the exclusion would apply to all auto protection.

Claim Cost Up 20%

But insurers are watching with some concern the rise in claim costs. The figures on one large block of business show that since early in 1947 B.I. claim cost has increased approximately 20%. The increase has been substantial from last year to this. On property damage the claim cost increase, 1947 to 1950, amounts to almost 10%. There has been, however, a reduction in the number of notices, possibly 5 to 10%.

Insurers believe the greater severity in accidents is due to the increased number of cars on the road and the higher speed at which many owners are driving.

One reason some insurance men are not eager to change the coverage is because almost 100% of all losses are covered by the insurance. They are willing to improve the contract, if to do so will provide the public with more protection, but if the policy now is doing a complete job, there seems to be no real cause for changes.

No Substantial Alteration

These changes largely arise from the offering by independent companies of additional features. They do not substantially alter the basic protection. They are fringe benefits, so to speak. As time has gone along, bureau companies say they are not losing business to independents as a result of broadened coverage, but because of differentials in rate and commission.

With multiple line underwriting, it is more expensive to change a policy contract for groups where several insurers write full cover. Many insurers would oppose any change that could involve asking higher rates since it is likely the insurance departments would resist.

Among changes discussed are provision of a separate policy to cover private passenger automobiles, which account for about 80% of auto volume—a policy that would be simplified as to language and rating and that would be eliminating description of automobile and other means do away with transfer endorsements that now have to be attached from time to time and that make a con-

(CONTINUED ON PAGE 24)

Diversion of Profits Is Not "Loss of Property"

American Mutual Liability was absolved of liability under a form of dishonesty cover protecting against "loss of property" due to fraud or dishonesty of an employee when there was a loss of profits suffered by an assured due to the diversion by an employee of orders from customers to his own use. The decision was given by Maryland court of appeals in *Levy et al vs. American Mutual Liability*.

The policy was a comprehensive crime contract. Levy was in the business of selling shirts, uniforms, caps, etc. A full-time employee who was on a straight salary basis, accepted an order for uniform caps from a cab company that was an established customer of Levy's. The insured did not manufacture these caps and the employee placed the order with the insured's regular source of supply. When they were ready he had them billed to himself, took them to the cab company, received the money, paid the source of supply and retained the balance for his own use.

Subsequently he told the cab company that Levy could no longer supply them but that he would do so and later orders he had billed in his own name and filled them in the same manner as he had in the first order. He then used this scheme as a pattern to divert to his own use other orders from other established customers. The losses claimed by the insured amount to about \$13,500.

American Mutual Liability contended that no money or property owned by the insured was lost. The court of appeals said that what was actually lost by the insured was the profit they would have made had their employee not engaged in competition with them or the prospective profit they would have had in the diverted contracts. The insurer did not insure them against the loss of all kinds of property, intangible or otherwise, but only against the loss of money, certain specified kinds of personal property or evidences of personal property and "other personal property." The latter term must

be construed to mean property of the same nature and description as the particular kinds of property mentioned and not choses in action for unlawful or fraudulent competition.

Liberal Treatment Assured Employees Entering Service

HARTFORD—Local companies are treating liberally any employees who enter the armed services. Some companies will make up the difference between service pay and company pay. Group life plans will be continued, and pension rights maintained.

Some companies have yet to make official decisions on the subject, but generally speaking the policy will be similar to that followed during World War II.

Aetna will give employees a separation allowance ranging from one-half month to three months of earnings, based on length of service. Group life will be continued and hospitalization and surgical care for dependents of employees will be kept in force.

Travelers will pursue its World War II plan, which includes a gift to employees on their separation with an accompanying letter assuring all called that they will be welcomed back to the employ of the company.

All companies insure employees of their reemployment upon return in their former jobs or a job equivalent.

Laughlin Named Head of Two N. C. Rating Bureaus

W. L. Laughlin, who has been director of the insurance commission of Mississippi the past four years, has been named general manager of the Compensation Rating & Inspection Bureau of North Carolina and of the North Carolina Automobile Rate Administrative Office. He succeeds J. F. Fletcher, who has held the posts 12 years.

Mr. Laughlin is an attorney, having practiced at Jackson and handled insurance among other types of cases, before going with the commission. Mr. Fletcher was manager of the Topeka, Kan., office of National Council on Compensation Insurance before going to North Carolina.

Local Not General Agent

Marmor Insurance Agency of Louisville has been appointed agent for Vernon Casualty & Reinsurance of Indianapolis rather than general agent of Kentucky of that company as was erroneously stated in the July 22 edition.

Asks Surcharge Eliminations

Commissioner Taylor of Oregon has requested that the Oregon automobile assigned risk plan calling for elimination of the surcharge applicable to voluntary assigned risks. He produced figures to show that even though the loss ratio might be somewhat higher on assigned risks, the limited character of the business would result in a negligible cost to the companies.

Travis Promoted



D. A. Travis

before joining Massachusetts Bonding.

Auto Cover Price Pattern Called Remarkable

The Wall Street Journal in its Aug. 7 edition ran a lengthy front page article on automobile insurance as written by Harry T. Rohs. The caption reads: "Auto insurance. It's a crazy quilt. Denver's \$12 policy costs \$72 in New York—Montana rates down 14%, Louisiana up 4%; Firms Blame Careless Driver—Big City 'Claim Conscious'."

Mr. Rohs asserts that auto accident insurance presents one of the most remarkable price patterns of the American economic scene. He refers to the fact that identical protection costs \$10 at Denver, \$20 at Louisville, \$32 at St. Louis, \$56 at Boston and \$72 at New York.

He states that the insurance executives explain these "startling contrasts" on the fact that motorists bring this situation on themselves. If accidents and damage claims are few, the insurance rate is low. If they are heavy, protection costs the car owner a lot more.

The author goes on to say that National Bureau of Casualty Underwriters gives the rates a thorough going over once a year and all changes are subject to review by the supervisory authorities.

Denver, N. Y. Compared

He asserts that residents of New York were charged with 75 accidents for every 1,000 cars insured against B.I. by National Bureau companies, whereas at Denver there were only 18 claims per 1,000 insured cars. In New York the average payment to settle claims arising from these accidents was \$590 whereas the Denver average was \$538.

The high accident and claim rate in New York is attributed, according to the author, by Assn. of Casualty & Surety Companies to the traffic congestion and the claim consciousness of the citizenry. In Philadelphia by a very slight margin, the frequency of bodily injury claims is the greatest in the country but the insurance cost only \$42 as against \$72 in New York. The reason is that the average claim settlement in Philadelphia is only \$299.

San Francisco has the highest average claim cost or \$834, but the premium is only \$27 a year because the city has comparatively few accident claims.

The author states that the difference in cost of claims is due to the cost of medical service and auto repairs, and to the temper of the local juries. He quoted casualty insurance officials as blaming the preponderance of auto accidents on too much speed, drunken driving, inadequate safety rules and traffic regulations and lack of personnel to police highways and streets and failure to enforce traffic laws.

He tells about the young driver education program of Assn. of Casualty & Surety Companies and explains the higher price that must be paid for insurance where there is a young driver. Along with the article is a tabulation showing the cost of standard B.I. and P.D. limits in 30 cities.

Shelby Training School

Shelby Mutual Casualty has 15 men enrolled in its summer training school at the home office, conducted by P. H. Dubuc, agency secretary. Classes will run through August.

Of the trainees, five will go into field work, four into underwriting, two into the claim department and one into engineering and auditing. One man is also planning to enter an agency and the other two will return to college for another year before becoming full time employees.

Herb Wilson, Everett, Wash., local agent, is a candidate for the Republican nomination for Congress.

SANFORD GRIFFIN AGENCY
210 West 23rd Street
CHEYENNE, WYOMING

June 22, 1950

Mr. Louis A. Breskin, President
Sterling Insurance Company
737 N. Michigan Avenue
Chicago 11, Illinois

Dear Mr. Breskin:

This will serve to acknowledge and thank you for your very prompt reply to my letter requesting information about Sterling coverage. My belated answer has been occasioned by the fact that I have been a very busy person in the act of establishing a General Agency for the Sterling Insurance Co., so I trust that you will consider this a pretty good excuse.

In the thirteen years that I have spent in the insurance business I frankly have never seen such an array of down to earth, common sense insurance policies as your company has designed. They are precisely what I have been looking for for the last four years. Your underwriting and actuarial staff certainly are strictly "On the Ball" as we used to say in the Army.

Looking forward to a prosperous and happy association with our newly found connection, The Sterling Insurance Co., I am,

Sincerely yours,
Sanford Griffin
The Sanford Griffin Agency
Manager

SG/mg

Common sense insurance and common sense cooperation mean good business for general agents and writing men. Sterling can satisfy other qualified men just as it has satisfied Sanford Griffin . . . can help you to big, quick, lasting success. For complete information, write:

L. A. BRESKIN, President • 1703 Sterling Bldg. • Chicago 11, Illinois

STERLING INSURANCE COMPANY

Now in 21 States

Part of Wolverine Stock Sold; to Write All Lines

LANSING, MICH.—To quiet rumors regarding the future program of the Wolverine, John H. Carton, president, has issued a special bulletin to agents and employees. He announced that a substantial block of stock in the company had changed ownership, that the company plans an expansion into all lines, and that E. F. Pearce, vice-president in charge of underwriting, has for reasons of health retired but remains as a director and advisor to the underwriting department. George Denning, a member of the underwriting department for some years, has been advanced to head that department.

Regarding the stock transfer, Mr. Carton said that "a substantial block of stock was purchased, for investment only, by a very strong financial group." He denied, however, that any change in management of the company is contemplated although additional home office facilities are necessary to provide for the company's expansion.

"It is the intention of the present officers and directors of the company, and of the group of investors," Mr. Carton stated, "to continue to expand Wolverine. This expansion contemplates to agents increased facilities through increased capital funds and expansion into all lines of insurance."

N.A.I.A. Steering Group Meet Set for Aug. 25-27

Melvin J. Miller, vice-president of National Assn. of Insurance Agents, has scheduled the regular summer meeting of the executive committee for Aug. 25-27 at the Statler hotel, New York.

Among the subjects to be considered will be developments at Washington, the annual convention at Chicago, and the proceedings of the meeting of National Assn. of Insurance Commissioners at Quebec.

N. C. Issues Rules on Auto, Life, A. & H. Loan Cover

RALEIGH — Commissioner Cheek has issued 14 regulations applying to life, combinations which apply to life, A. & H., hospitalization and disability insurance written in connection with loans, the regulations being designed to protect small borrowers from being "loaded" with unnecessary insurance. The regulations are effective Sept. 1. Mr. Cheek said he has not yet completed work on other regulations concerning automobile policies, but it is likely that these too will be made effective Sept. 1.

Regulations just announced give the department full access to information in the small loan field and provide that the department must approve all policy forms, applications, premium receipts and endorsements; that the borrower who is required to purchase insurance be given a full statement showing the kind and amount of coverage and the cost; the borrower must be permitted to choose his agent and company; policies must be written for the full term for which the premium is charged; policies are limited to \$200 monthly indemnity, with the further limitations that monthly benefits may not "exceed the amount of the monthly payment on the loan;" loan companies no longer will be allowed to require life or A. & H. on a loan where automobile fire, theft, comprehensive or collision coverage also is issued; the borrower must repay the unearned premium when the policy is cancelled by the company before expiration; policy writing fees are limited to 35 cents per policy, and in life policies, the amount of insurance cannot exceed the amount of the loan. The regulations provide that the com-

missioner may revoke the license of any agent or company which "wilfully" violates any one of the regulations, and Mr. Cheek warned that "a request by any company for the issuance of an agent's license for a person known by that company to have violated any of the provisions of these rules will be deemed a wilful violation of these rules by the company itself."

Regulations for writing automobile physical damage in connection with loans are similar to those drafted for other lines.

Competitive Bidding Governs N. H. State Cover

With a ruling by Attorney General Tiffany that insurance purchases are subject to the statutory requirement that all purchases of more than \$200 require competitive bidding, plans of New Hampshire Assn. of Insurance Agents to handle state insurance are knocked out. The first line of state insurance to be placed under the competitive bidding basis is that of state liquor commission. That agency has asked for bids by Aug. 15 on \$3 million fire insurance on liquor stock under

reporting forms, \$30,000 on furniture, fixtures and supplies in the state liquor warehouse and \$425,000 sprinkler leakage insurance.

The state is also planning to ask for bids on insurance covering motor vehicles and mountain tramways.

If there is a tie between low bidders, the award shall go to a domestic company if one of the low bidders is a domestic company. Otherwise, there has not been a determination as to how a tie will be resolved.

G.A.B. Has Six Changes in Arkansas, Texas

General Adjustment Bureau has made changes at Ft. Smith, Fayetteville, and Little Rock, Ark., and at Austin, Tex.

Carl J. Billingsley has been transferred from Ft. Smith to Fayetteville as manager to replace Tom Stanton, who has been moved to Austin as manager.

Frank W. Chambers has been promoted to manager at Fayetteville. He has been at Jonesboro as adjuster. He is a graduate of Oklahoma East Central College and started as an adjuster in 1946.

W. B. O'Neal, senior casualty ad-

juster at Tyler, has been transferred to Little Rock in a similar capacity. He has been in the business for 29 years and with G.A.B. for 12 years.

At Austin, Mr. Stanton succeeds W. A. Drum as manager. Mr. Drum is being transferred to Ft. Worth as senior adjuster.

Mr. Stanton has been with G.A.B. at Tulsa and was branch manager at Ada, Okla., and Ft. Smith.

J. V. Winn is returning to the bureau at Austin. He was formerly in Texarkana.

Hanover Charter Plan

Hanover Fire has sent a letter to stockholders advising them of a special meeting called for Sept. 11 to act upon a revised charter providing multiple line underwriting powers. The letter says that the company now has an opportunity to expand its operations if and when desired and that the changes should mean an increase in income in the states and foreign countries.

C. C. Casey has resigned as resident manager for Cosgrove & Co. at Seattle. Mr. Casey has been in poor health and is taking a rest before moving to San Francisco.

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CHANGES IN CASUALTY FIELD

Kemper Appoints Gruhn Senior V.-P.

M. F. Gruhn, resident vice-president of Lumbermens Mutual Casualty at San Francisco, has been named senior vice-president of the Kemper companies. Thomas E. Andrews, Mr. Gruhn's assistant, has been appointed assistant manager, and William A. Smith, for many years manager of the claims department at San Francisco, has been elevated to resident secretary.

In his new capacity, Mr. Gruhn will

divide his time between Chicago and the Pacific Coast.

Gorman Seattle Manager for Massachusetts Bonding

Earl D. Bourland has resigned as manager at Seattle for Massachusetts Bonding and has been succeeded by Arthur Gorman. Mr. Bourland becomes a partner in the Abrams & Skinner agency of Salem and the name of the firm has been changed to Abrams, Bourland & Skinner.

Mr. Gorman joined Fireman's Fund in

1928 and after Fireman's Fund Indemnity was launched in 1930, he established the statistical department in the home office. In 1936 he was advanced to agency supervisor and in 1942 resigned to become resident vice-president at San Francisco for National Automobile & Casualty. He went with Massachusetts Bonding last year as casualty supervisor at San Francisco.

Bernard Heads Anchor Southwestern Operations

Anchor Casualty of St. Paul has appointed R. L. Bernard to head its southwestern department with headquarters in Houston. The department has been moved to spacious new quarters at 4101 San Jacinto street. H. G. Reinhackel has been appointed by the department as general agent, supervising central - southwestern Texas, with headquarters in Austin.



R. L. Bernard

Mr. Bernard has been superintendent of agencies at the home office since 1947. He joined Anchor in 1936, having been with Hartford group in Nebraska. Prior to the war, he was Nebraska state agent for Anchor and, following his release from service, was made branch manager at Kansas City. He is a graduate of the University of Nebraska.

Mr. Reinhackel, prior to his entry into the general agency field, several years ago, had been with the America Fore group as state agent at San Antonio.

Ten Named in Travelers Field Changes, Promotions

Travelers has made several field changes and has promoted five field assistants to assistant managers.

Charles W. Crabb, who has been field assistant at Los Angeles, has been promoted to assistant manager there.

Richard T. Johnson has been promoted from field assistant to assistant manager at Des Moines.

John D. Wortmann, field assistant at Newark, has been promoted and named assistant manager there.

Walter S. Bardsley has been named assistant manager at Philadelphia.

John K. Schmit has been promoted to assistant manager at Kansas City.

L. Eugene Bayless has been promoted to assistant manager at Oklahoma City.

Five field assistants have been named. They are: Robert P. White, at Philadelphia; Frederick W. Harrison at Chicago; Harland C. Hubbard, Detroit; John Sylvain, Montreal, H. Wallace Parker, Los Angeles.

Donald H. Garloch, special agent at Dayton, has moved his headquarters to Columbus.

Allstate Names Weiss to Home Office Sales Post

Allstate has appointed Clarence J. Weiss as assistant vice-president and general sales manager in charge of renewal sales.

Mr. Weiss has been with Allstate since 1934. After serving as manager of the New York and Pennsylvania branches, he was appointed resident manager at Seattle in 1947, and at Philadelphia in 1948. He was appointed assistant vice-president last March.

Leaford to Calif. Field

Jack R. Leaford has been appointed special agent for General of Seattle in the San Joaquin Valley of California. He has been in the underwriting department at San Francisco and prior to that was at Atlanta.

New Home Indemnity Offices at Phoenix, Grand Rapids

Home Indemnity has opened offices at Phoenix, Ariz., and Grand Rapids, Mich.

The Phoenix office, supervising Arizona, will be under Special Agent Andrew V. Redpath, who has been at St. Louis.

The Grand Rapids office will be under the supervision of Richard G. Maerlein, formerly special agent at Detroit.

Name Haller in Calif.

Maryland Casualty has named John J. Haller special agent in Alameda and Contra Costa counties of California with headquarters at Oakland. He succeeded Ralph Winkler who has been promoted to manager of the production department at San Francisco.

Mr. Haller is a veteran of the last war and a graduate of Annapolis Naval Academy.

Hagen to Los Angeles

Fred J. Hagen, bond manager for Employers Liability at Detroit for the past six years, has been appointed bond manager of the southern California department at Los Angeles. Mr. Hagen has been with Employers since 1935.

Farrell in N. J. Field

Robert S. Farrell has been named executive representative of southern New Jersey for American Indemnity of Texas with headquarters at Newark.

Previously, Mr. Farrell was with Royal - Liverpool group as assistant agency secretary and later manager at Kansas City.

Shannon Resigns Ia. Post

Stratton J. Shannon, secretary of Iowa Hardware Mutual Casualty, has resigned to join Motor Club Special Services at Davenport as general manager.

W. H. Clarke, who has been sales manager for Iowa Hardware, becomes manager of the casualty department.

New Office at Toledo

Home Indemnity has opened a new office at Toledo in the Edison building with Edward J. Herndon, who has been inspector in the Cleveland office as a special agent in charge. The office will be under the direct supervision of W. L. Read, Cleveland manager.

United Pacific Divides Los Angeles Office

United Pacific has adopted a divisional plan of operation in the Los Angeles area.

From the present quarters of its Los Angeles office at 810 South Spring street, the company will operate two complete divisions, a metropolitan division, under the management of Keith W. Swartz; and the Wilshire division with Marvin C. Hewett as manager.

Gould, Kline Upped in N. Y.

William C. Gould has been appointed New York deputy superintendent of insurance. He fills the vacancy left by Alfred J. Bohlinger's recent promotion to superintendent. At the same time, Acting Deputy George H. Kline has been named deputy.

Mr. Gould has been with the department since 1926, when he was appointed an examiner in the rating bureau. Recently he has been chief of the mutual and fraternal bureau, having previously served as an examiner in the casualty bureau and acting chief of the mutual and fraternal bureau.

Mr. Kline has been acting deputy since April when he was named on resignation of Thomas C. Morrill. Mr. Kline was formerly special assistant Superintendent Dineen.

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Gannaway Little Rock G. A. for Massachusetts Protective

Malcolm W. Gannaway, Jr., has been named general agent for Massachusetts Protective and Paul Revere Life at Little Rock. He succeeds John F. Barnett who has resigned to devote his time to personal production.

Mr. Gannaway entered insurance in 1939. He has been Little Rock general agent for Pyramid Life.

Wellenkamp in New Post

Donald J. Wellenkamp, who has been agency vice-president of Service Life of Omaha and for 15 years prior to that was with Washington National at the home office, has been appointed executive vice-president of the Ranni agency of Miami.



D. J. Wellenkamp

Wellenkamp started with Massachusetts Mutual Life and later was with Illinois Life before joining Washington National. He was for two years press chairman of H. & A. Underwriters Conference.

Broadens Aviation Cover

Connecticut General has broadened the benefits of its accident insurance on aviation pilots and crew members. Henceforth, the policyholders will be entitled to lifetime income indemnity for flying accidents, just as for accidents occurring on the ground.

Heretofore the company limited indemnity for loss of earnings to 200 weeks on accidents while flying. The change will be made in new aviation accident insurance contracts, and will also be applied on old policies having the aviation provision.

Dominion Life has been licensed in Canada for A. & H. in addition to the classes for which it is already registered.

SURETY

Another Fire Company on Treasury Surety List

WASHINGTON—The Treasury Department has added the name of Transportation of Chicago, subsidiary of Continental Casualty, to the list of approved sureties on government bonds, with an underwriting limitation of \$224,000.

R. I. Single-Risk Limit Not Applicable to Surety Bonds

Attorney General Powers of Rhode Island has ruled that the state's statutory single-risk limit of 10% of a company's capital applies to insurance companies only and not surety companies. The ruling eliminates the necessity of surety men having to spread large surety bonds among several companies.

Mr. Powers stated that there is no legislative authority for mutual companies to write surety bonds. They are governed by the "suitable requirements" set up by state officials passing on the bonds.

Coast Guard Waiver

WASHINGTON—Reporting favorably the Celler bill to authorize the waiving of requirement of performance and payment bonds in connection with

certain coast guard contracts, Rep. Bryson, from the judiciary committee, said the army, navy and air force already have this authority, constituting exceptions from the Miller act of 1935. "The committee is assured by the Treasury Department, which requested the legislation with the approval of the bureau of the budget," said the report, "that the authority, if granted, will be exercised with discretion and judgment, and that it will facilitate the procurement program of the coast guard."

Plans New Southern Office

CHARLOTTESVILLE, VA.—State Farm Mutual is planning to locate its new southeastern division headquarters here according to the Chamber of Commerce. The company had previously said it would build a new \$350,000 one-story office building here if it received permission to construct near a residential neighborhood off U. S. route 29. This permission has been granted by the city's zoning board. It is estimated that an additional 1,250 persons will be employed in the new office.

R. D. Zimmerman Shifts

Rodger D. Zimmerman has joined the Cobb-Strecker-Griswold agency of Minneapolis.

He was with Fidelity & Casualty at Minneapolis 12 years, most recently as superintendent of the bonding department. Prior to that he was with Aetna Casualty. He is vice-president of Surety Assn. of Minnesota.

Would Clarify Government Employee Bonding Bill

WASHINGTON—At a hearing Wednesday before Senator Hoey's expenditures subcommittee, William E. Bennem, vice-president American Surety, representing Assn. of Casualty & Surety Companies, suggested several clarifying amendments to the House-passed bill for surety bonding of government employees, with government paying premiums.

Howard M. Starling, Washington representative of the association, also appeared.

Charles E. Johnson, general accounting office, endorsed the principle and policy of the House bill, but criticized sample bonds submitted by the companies as being non-cumulative. There would be much reduced protection under them, he said.

Other witnesses included William J. Armstrong, budget bureau; John K. Carlock, assistant general counsel,

Treasury Department, and representatives of government employee groups.

Lubbock to Marine Agency Post for Fireman's Fund

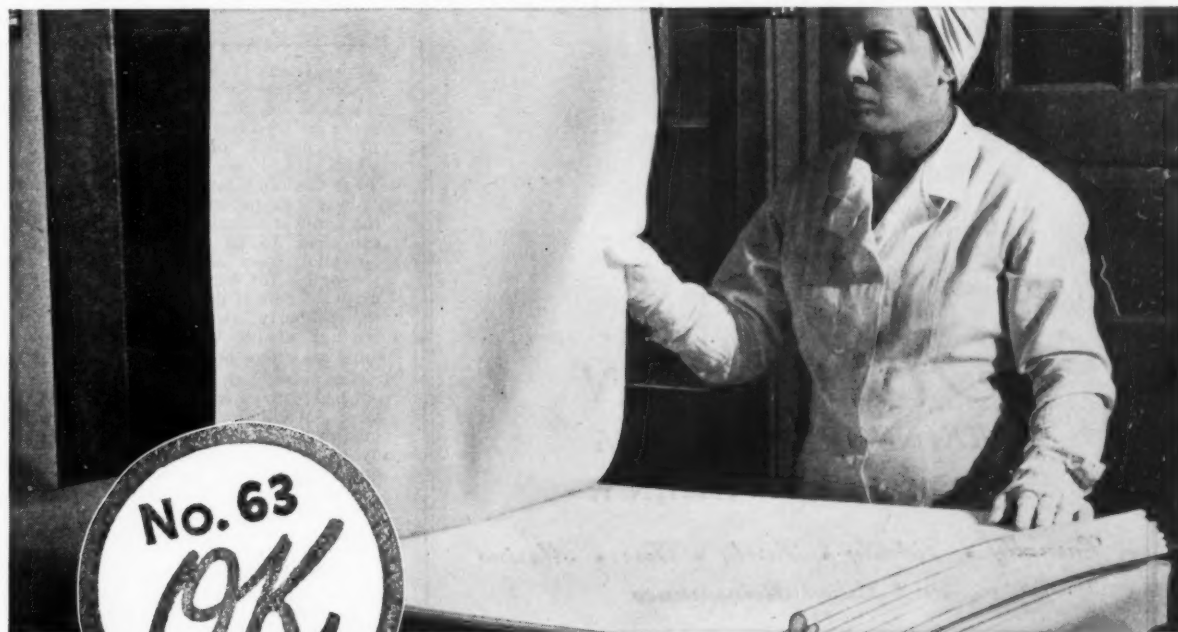
Jack O. Lubbock has been appointed marine agency superintendent for the Pacific department of Fireman's Fund group.

Mr. Lubbock joined Fireman's Fund at San Francisco in 1924. He has served as field man and underwriter in the fire and marine departments since 1928. In 1948 he became senior inland marine underwriter at the head office.

U. S. Guarantee Had Cal. Bond

In the June 29 issue it was reported that Fidelity & Deposit wrote the bond on behalf of the Clinton Construction Co. covering \$4,784,000 for construction of a hospital teaching building at the University of California. This is incorrect. This bond was written by U. S. Guarantee.

Detroit A. & H. Assn. conducted its first golf party and dinner Tuesday at Plum Brook Golf Club.



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The quality of any safety glass is directly dependent on the plastic laminate in it. So, in our Check No. 63, we see to it that the temperature and humidity are exactly right when the freshly-dried plastic laminate goes to the cutting room.

This is only one of our 142 Quality Checks and Controls, all of which are equally important to you and your policyholders because they give L-O-F Safety Glass:

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Set Air Liability Hearing

ST. PAUL—A special invitation has been issued to insurance companies to have representatives at a hearing called by L. L. Schroeder, commissioner of aeronautics, to decide whether a rule requiring licensed flight schools in Minnesota to carry liability insurance shall be repealed. The hearing has been set for Aug. 24.

Await War Projects Move

WASHINGTON—Insurance men in government service report informal approach has been made from government sources to the insurance industry with respect to revival of the war projects rating plan or development of some similar plan for various forms of coverage in connection with government defense contracts, particularly construction and plant operation.

Official sources say proposal to revive the wartime plan or substitute a new one would come from industry sources. These sources say the companies are aware of the situation and are willing to cooperate.

N. Y. Filing Awaited

New York Compensation Insurance Rating Board will shortly file with the New York department revised rates to become effective Oct. 1. In the meantime the board will hold in abeyance the publication of rates for all risks with rating anniversaries on or after Oct. 1. Where necessary to place the policy in assured's hands before Oct. 1, companies should write on a rates-to-be-determined basis.

The W. H. Cray agency of Echo, Ore., has been purchased by G. J. Sherer, formerly of Portland.

Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31 1949	Premiums First Six Months 1950	Written First Six Months 1950
Alliance, Pa.	\$20,024,301	\$10,623,090	\$ 1,472,116	\$ 76,249	\$ 5,596,352
American States	13,606,651	3,728,329	567,692	6,255,195	5,639,175
Bankers & Shippers	13,163,755	3,843,445	274,779	3,690,495	3,550,172
Farm. Mut. Auto, Wis.	13,485,563	4,713,888	611,065	5,167,900	4,455,967
First National	8,392,000	2,457,596	57,849	2,125,292	2,170,119
General Accident	80,563,574	26,429,391	.....	21,971,335	22,724,121
General Casualty, Wash.	26,692,970	5,523,208	402,347	9,753,915	9,250,188
General of Seattle	62,169,396	24,572,102	155,555	15,594,700	14,923,342
Glens Falls Indem.	36,184,071	9,638,155	521,705	10,741,437	8,577,246
Home Indemnity	28,985,546	7,538,192	—354,656	9,801,626	7,652,827
Interboro Mut. Indem.	7,569,216	1,510,819	—155,213	1,890,887	1,895,618
Industrial Indemnity	23,178,174	4,297,163	1,314,068	9,926,675	9,002,789
Indemnity of N. A.	104,953,218	31,590,600	727,456	25,444,869	25,097,441
Ins. Co. of No. America	301,185,860	168,911,924	7,156,761	51,830,476	48,028,842
Jersey	8,632,239	2,320,094	183,591	2,357,817	2,268,161
Manuf. & Merc. Indem.	7,429,814	1,928,975	44,249	3,507,313	2,509,542
Merchants Indemnity	9,404,696	4,796,090	184,514	1,945,177	1,678,971
Mercury	19,676,144	7,197,046	328,957	5,092,405	5,675,656
National Surety Marine	5,403,473	2,089,523	50,008	1,787,888	1,645,966
National Union Fire	45,734,521	13,782,332	—15,955	11,785,271	11,581,669
New Amsterdam Cas.	73,305,439	20,746,833	.....	18,931,588	18,456,349
New Zealand	10,171,804	4,039,298	526,380	2,412,087	1,978,354
Ocean Accident	28,763,306	7,746,675	356,853	5,285,387	5,977,821
Ohio Casualty	37,085,913	9,354,238	1,266,856	15,387,219	14,669,271
Pacific Employers	29,039,452	4,333,249	—119,912	11,639,045	11,738,620
Pacific Fire	16,371,112	5,509,189	407,455	4,203,064	4,043,252
Pacific Indemnity	40,713,836	11,741,599	177,193	11,575,766	11,694,004
Peerless Cas.	10,511,132	3,475,191	50,000	3,210,107	2,952,323
Philadelphia F. & M.	47,391,690	27,833,498	774,750	7,682,141	7,315,111
Preferred Accident	15,804,156	4,077,950	—944,563	5,206,172	4,875,760
St. Paul F. & M.	106,342,430	54,397,726	2,625,806	21,795,906	22,801,319
St. Paul-Mercury Indem.	47,754,274	12,848,903	320,329	14,699,592	14,393,230
U. S. F. & G.	185,289,556	60,612,313	8,290,790	53,191,153	51,925,987

Multiple line underwriting calls for a review
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Recess Hearing Until Aug. 15

(CONTINUED FROM PAGE 15)

panies Glens Falls wants to know with whom it is doing business. However, it was found, the company did write one piece of business for Mr. Frost prior to declination of the two pieces on which Mr. Frost based his complaints. That building was poorly maintained. It was reinspected and found to be in the same condition. The company then cancelled. It did not get too much cooperation from Mr. Frost in returning the policy for cancellation, though that may have been due to the attorney for the property owner. The real reason for not writing was the office did not have an active account with Mr. Frost.

Sen. Friedman said the committee is not being given frank answers or full answers. Mr. Tillotson replied he was being frank. The office judges the broker by time he has been in business, how he handles it, his character, the kind of business. Not in all cases does the company run a full check on a broker it does not know who is proffering it business the first time.

Emanuel Morganbesser, general counsel of Cosmopolitan Mutual Casualty and Cosmopolitan Mutual, fire affiliate, testified. (Sen. Friedman disqualified himself from this part of the hearing because he

has represented the carrier.) As to the complaints by James Greenidge, Mr. Morganbesser said the company calls for inspection on every risk offered it, fire or casualty. It has a negro inspector to make inspections in colored areas. It asked United Brokers Assn. for a recommendation before hiring the inspector. His inspection report on the Greenidge risk was very unfavorable. The company writes everywhere and has 40 Harlem brokers. It asks for a good spread of business, including good as well as poor lines. He said the two Cosmopolitan companies have a lot of business in Harlem, but in St. Albans, a fine non-congested area in Queens it received only \$200 of premiums last year. He thought brokers Cosmopolitan accommodated in Harlem could be more accommodating with St. Albans' risks.

He said in judging a company on a charge of racial discrimination the whole company operation should be assessed. Cosmopolitan has a number of negroes in responsible positions and makes mortgages in Harlem. Underwriting is ruled by economics, not geography. What the city needs, he declared, is teeth in the multiple line dwelling law, to improve housekeeping.

Had Too Much Auto

On an auto liability application he commented that at the time, about three years ago, general experience in this category was very bad and Cosmopolitan could just about take care of the business it had on its books. Another turn down was due to a general underwriting policy of not taking as new business cars over six years old. United Brokers Assn., group of Harlem brokers, and two brokers apologized by letter for what they termed erroneous accusation of racial discrimination against Cosmopolitan.

Charges By Andrews

W. T. Andrews, colored, former member of the legislature, said that several years ago, probably before the auto assigned risk plan liability coverage on his own car was rejected because he was a negro. He could not recall the name of the company or whether the refusal was oral or written. Since then he has been consulted by many brokers with complaints. He is counsel of the United Brokers Assn. Many have said they couldn't place insurance of various kinds, giving the reason that risk is colored.

Apparently the "congested area" excuse is of recent development, nine months or so, he stated. Difficulty in placing business on colored people is much older than that. He offered to get some complaints together and present them to the committee. He thought the

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Written First Six Months 1949
5,596,351
5,339,172
3,550,172
4,455,967
2,170,110
22,724,121
9,250,183
14,923,342
8,577,246
7,652,827
1,895,618
9,002,789
23,597,441
48,028,841
2,268,182
2,509,542
1,678,971
5,735,656
1,645,966
11,581,669
18,456,949
1,978,364
5,977,821
14,669,271
11,788,629
4,043,252
11,694,084
2,952,313
7,315,118
4,875,760
22,801,313
14,393,230
51,925,987

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mer mem- hat several the auto as- verage on use he was l the name the refusal hen he has okers with the United aid they icious kinds. colored. area" ex- nent, nine difficulty in people is ered to get and present thought the

trouble East Harlem has in getting insurance is, as in West Harlem, due to races, East Harlem being predominantly Puerto Rican and Italian. Chairman Condon pointed out that the Coney Island district is having the same problem — because of congestion.

H. S. Moser, general attorney of Allstate, said the company considers every Harlem application on its individual merits. The company runs an inspection or credit report. It may turn down if it believes applicant is a poor risk. It writes a substantial number of risks in Harlem areas.

HOME DEFENSE

T. Morgan Williams, vice-president of Home in charge of the metropolitan New York area outlined Home's method of operation in Harlem. It presently has 68 brokers in the area, white and colored. Home has no restricted areas. Its experience shows that if a large percentage of a broker's business has a high loss ratio over a period of years or if amount of business is small and expensive to handle, it is uneconomic to go along with him. As to Mr. Axt and Mr. Greenidge, their business was unprofitable, the amount of loss was great and frequency high. In 1945-1948 inclusive Mr. Greenidge gave Home premiums of \$2,205. His losses in 1946-1949 were more than \$1,700. On Mr. Axt, premiums were \$1,829, and he had eight losses totaling \$1,039. Charles S. Frost's 1942-1949 premiums were \$5,021, losses \$794. Home has no complaint as to Mr. Frost. These figures do not include claim expense or commission.

No Fixed Policy

There is no fixed policy that says with a certain loss ratio the broker is out. Circumstances have much to do with it. Home, he thinks, writes more business in Harlem than any other. He went through several thousand dailies in a cross section check and estimated that Home now has about 15,000 different risks with millions of liability. It operates on territorial experience, New York as a state, for example. There is no code breakdown for Harlem or other small area. Underwriters try various methods for keeping experience sound in the large territorial divisions. One way is to hold down total commitments in congested areas that are subject to conflagration losses.

The company has no percentage formula on congested area liabilities it will assume because it could not practically be applied. There is no way to know how much it has in Harlem or similar small geographical division.

Studies indicate household furniture business is not profitable. Thus a broker would be expected to balance off this kind of volume by other lines. Expense is high because premium is low. A broker who produces little but HH furniture lines works himself out of business.

Policy Is Industrial

Sen. Friedman asked him if he as a policy maker for his company in metropolitan area attended meetings with executives of other companies. He said that he hoped through New York Fire Insurance Rating Organization to hold educational meetings.

What happened to the Greenidge and Axt brokerage accounts, Mr. Bleakley asked. After reviewing their accounts (and this was a typical approach) they were notified 90 days in advance that their policies would not be renewed.

Mr. Williams pointed out that after the war and with inflation boosting values faster than rates rose companies had a difficult time and Home and others reviewed the producers' records. These reviews and subsequent action were not confined to Harlem.

Arthur J. McNaught, president United Brokers Assn., Mr. Williams said, read a statement in which he referred to the merger of Home companies. These did not influence indemnity, Mr. Williams stated. Numerically most complaints were made against Home because it does a large business. Mr. McNaught

represents Home and his loss record is good. Mr. Griffith claimed Joerns & French closed down on him "but his record from 1939 on shows premiums of \$18,481 and 83 losses totaling \$18,442."

Cut Down Harlem Writings

Mr. Williams said that about 1940 the company found it was writing a larger proportion of business in Harlem than its total metropolitan volume made wise. That business was producing an unduly high portion of losses. Nothing was done to discriminate because of race, color, or anything of that kind.

He read letter written Feb. 14, 1950, by Hawthorne Lee, a Harlem broker to Home. The letter stated:

"This is just a note to express a word of regret for inferences, if not charges, that Home practices racial discrimination in its underwriting policies.

"I feel that I personally concerned with this matter because I am a member of the United Insurance Brokers Assn., and because the inference of racial discrimination grew out of complaints made by the association to the insurance department, which were later given further impetus by certain politicians and reports to the daily and local press.

"At the last meeting of the association, I learned that the name of your company was included on a list with several other companies in the complaint to the department.

"I am happy to be able to state, without solicitation, that I can furnish proof and witnesses that you do not practice racial discrimination as an underwriting policy. I am sure that you do discriminate against risks and against individual brokers pertaining to risks.

"I was present at the last regular meeting of the association at which a resolution was passed to the effect that the association had no intention of accusing insurers generally or those specifically mentioned in the complaint to the insurance department of racial discrimination.

"You may rest assured that the brokers who make up the membership of the United Insurance Brokers Assn. generally share with me the desire not to undermine the fine working relationship which has existed between the brokers and the insurers in our common effort to render a creditable service under conditions which are often trying and difficult. We count you as one of the companies in the forefront of this constructive effort."

McNAUGHT STATEMENT

The statement by Mr. McNaught on behalf of United Brokers' Assn., organization of brokers who write fire and casualty insurance business in Harlem, called attention to the practices of the companies, which brokers consider "inimical to the best interests of the community." These practices he specified as: Denial of automobile liability insurance to Negroes living in Harlem. It has become almost impossible to procure, through the regular channels liability coverage on automobiles owned by Negroes living in Harlem. Invariably the application is denied on ground the company does not write business in Harlem. Declination is done over the telephone, even though the application which the broker submits is in writing. The insurance, of course might then be obtained through the assigned risk plan, but at a minimum increased cost of 15%. Many Negroes, with good driving records, have elected to go without insurance, rather than pay this surcharge which they consider unjust. This practice on the part of insurance companies, is doing much to foster non-insurance, with its concomitant exposure of the public to injuries for which damages might be uncollectible.

Denial of fire insurance on property owned by Negroes. Inflation and rising costs have made larger fire coverage necessary. It is extremely difficult and sometimes impossible for the Negro property owner to get this coverage.



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Banks and insurers, however, can always get full coverages for their mortgages. If the business is made, it is bad for all purposes. The premises will burn just as readily when the mortgagee's interest is covered in the policy as is the owner's.

Cancellation of Negro Policies

Increased cancellations of policies held by Negroes. Cancellations of policies held by Negroes have increased greatly in the last two years. This is true of fire as well as auto liability.

Refusals to endorse transfers on existing fire insurance policies where Negroes have become the new owners. Not infrequently, companies have refused to endorse the transfer of policies covering realty if the new owners are Negroes. The policies are cancelled.

Refusals to renew old business. The refusals on the part of some companies to renew fire insurance on Harlem property have been stepped up considerably. Home is the leader in this respect, and the merger of that company with some 13 others has served to reduce substantially an already shrinking market.

Refusals to open new accounts. Where the Negro broker requests insurer to open an account for him he is invariably told the company is not opening any new accounts.

These are the principal complaints. However, difficulties are just as great in placing plate glass, burglary, O.L.&T., etc. The greatest demand however is for fire and automobile coverages.

Avoid Written Commitments

It should be noted, Mr. McNaught's statement continued, that the companies are meticulously careful to avoid written declarations, especially in the field of auto liability. The telephone is used for this purpose. Indeed, some companies have carried this practice of refraining from giving written declarations to such absurd extreme that it created artificial difficulties for the brokers in Harlem, even in the procurement of automobile liability policies under the assigned risk plan. As a pre-requisite to submitting an application under the assigned risk plan it was necessary for the broker to have three written declarations, without which he could not get the policy. Some companies could not be induced to give this written declaration. The insurance department should be commended for having recently abolished this rule of written declarations.

Among remedies suggested by Mr. McNaught are inspection of the risk and consideration of the application on its merits. The companies should be required to inspect the risk, before denying the application, and the reason for denial should be stated. There should be no arbitrary rejection. We commend Hartford Fire and U. S. F. & G. for having followed the procedure of inspection and consideration of the risk, with benefit to all concerned.

Suggests Distributing the Risk

Another is distributing the risk. If the companies, to which business is submitted, would accept their fair share, no company would need fear having a too large concentration of risk in the Harlem area.

These problems are of long standing, and it seems that the industry is unable to solve them. It is the brokers' belief corrective legislation should be enacted and the statement urged the committee to recommend to the legislature such measures as will alleviate the situation.

Asks If He Couldn't Get Cover

Sen. Friedman asked Mr. McNaught if he had property or risks for which he could not get insurance and which then were unable to get coverage through other sources. He replied that he knew of some and mentioned one building. However, the mortgagee was able to place it. Eventually, he said, the property owner gets coverage, except household furniture. The percentage that doesn't get it is small, he opined.

A. B. Griffith from 1939 through 1949 said he gave the Joerns & French agency premiums of \$900 to \$1,400 monthly. He

plaintively suggested that Mr. Williams use his influence with Joerns & French to get them to take more business. This drew a laugh.

Frank J. McCormick, vice-president of White & Camby, testified the agency writes business in Harlem areas. It has no policy of writing there that doesn't obtain generally. It takes household furniture lines without question. On building lines it often checks with the insurer.

The letter Mr. Axt described as "solicitation" letter and the notation "we do not write in this area" when turning down Mr. Axt's offerings was gone into. Mr. McCormick said the notation was not true; the agency does write in Harlem. A girl in the agency office made the notation. The incident is regrettable. She may have taken an easy way to make the turn down from a broker the agency did not know. She can't explain it. Mr. McCormick said. The agency has 12 to 15 brokers writing in Harlem, about half colored.

\$160 Premiums, \$2,320 Losses

About six months ago the agency quit making inspections (on building risks) and began depending on the insurers for this service. He knew of no prohibited list. The agency writes auto liability for Negroes in Harlem through Negro brokers. Sen. Friedman asked him to have the underwriter, Margaret Shannon, appear at a hearing Aug. 15. He said he would if the committee supplied a stretcher. She was extremely nervous, he said.

Charles F. Fraser Co. agency was represented by Thomas J. Fraser, vice-president. This was the Charles S. Frost complaint. In 1948 he had \$160 premiums, and \$2,320 in losses. Mr. Fraser said he had never been criticized by his companies for writing in Harlem.

Irving Schuck appeared for W. L. Perrin & Son agency.

U. S. F. & G. indicated it would appear at the next session, as did Harry G. Hansen of Hartford Fire, Charles E. Powers of the Acny Agency and a representative of Royal-Liverpool.

Thomas Hogan, Inc., was represented by Russell Edgett, president. The firm writes in Harlem. It does not accept any business over the phone from a new broker. As a matter of fact, if property is offered to new market, Mr. Edgett suspects something is wrong with it.

Louis J. Wright, executive underwriter of Security Taxpayers Mutual Liability said it has no general restrictions on Harlem writings.

Named to Portland Post

American Automobile has named Milo S. Bowers as claims manager at Portland, Ore. He succeeds R. J. Lincoln, who died earlier this month.

Mr. Bowers is a graduate of Drake University. He started with Continental Casualty in Chicago in 1941 and after service in the navy joined American Auto at San Francisco in 1946.

Many Cincinnati Winners

Raymond F. Folz will be chairman of the day at the Cincinnati Fire Underwriters golf club luncheon at Cloverbrook Country Club Aug. 15. Winners at the last meeting were: First, Paul W. Jerome, Aetna Fire; Mark H. Kroll, Wilmark agency; William C. Welsh, Hartford Fire (tied); second, Robert B. DeVore, Hartford A. & I.; third, James M. Barkdull, Barkdull & Guckenberger; Gordon J. Burrer, Travelers; Robert F. Lloyd, Hartford A. & I.; and Richard C. Shell, A. W. Shell & Co. (tied).

Capital to Be \$700,000

The capital of West American, a subsidiary of Ohio Casualty, is to be increased from \$600,000 to \$700,000 by a stock dividend.

Sidney L. Eisenberg, general agent for Federal Life & Casualty at Troy, N. Y., has been named to supervise the company's T.D.B. business in New York.

Program of A. & H. Bureau Meeting Is Announced

The program has been completed for the annual meeting of Bureau of A. & H. Underwriters at Skytop, Pa., Sept. 25-27. Chairman of the meeting is Ray L. Hills, Great American Indemnity. Commissioner Leslie of Pennsylvania and W. E. Kipp, Indemnity of North America, chairman governing committee, will be followed the opening day by Alva Weaver, Jr., of Hartford Accident on the field man's viewpoint and Godfrey Day of Connecticut General Life on the claim man's viewpoint. F. G. Brown of Travelers will speak on beneficiary rights assignment and policy ownership, with discussion led by Mr. Hills.

R. B. Ely, 3d, of Indemnity of N. A. will talk on the California minimum benefits law and rules and D. C. MacEwen, Occidental Life, will lead the discussion. D. J. Moe of U. S. Life is leader of a discussion on students' insurance.

Corby Directs Underwriting Forum

The second day underwriting forum directed by Fred T. Corby of Home Indemnity will have F. M. Walters, General Accident, treating present practices in writing weekly indemnity up to percentage of earned income and what revisions in future practices will be made necessary by statutory disability or the increase in group coverage. Neil J. Brown of Hartford Accident will deal with possible increase in claims under the lump sum provision, since many companies have eliminated time limit for election of special lump sum indemnity. Also to be discussed are loss payments greater than under normal accrual of weekly indemnity payments and should lump sum payments be revised because of improvements in treatment for fractures and dislocations.

Whether present interpretation of important daily duty requires revision if partial disability experience is to continue satisfactory will be treated by H. L. Graham of Manufacturers Casualty. James W. Noel, Lumbermen's Mutual Casualty, will discuss the need for providing indemnity for loss of time after termination of statutory benefits.

To Discuss Over-age Risks

Present requirements of A. & H. renewal apps on over-age risks and possible need of revising present practices will be reviewed by O. F. Siegmund of General American Life. Should present general requirement that disability commence in 20 days from accident be liberalized will be assessed by Robert W. Pope, Employers Liability, and possibility of need for larger indemnities for miscellaneous expenses under individual and family hospital expense policies by P. J. Burns of Royal-Liverpool. Discussion of medical expense will be handled by E. M. Ulrich of Pacific Mutual and polio cover by A. P. Dowlen of Republic National. Mr. Pope will treat sports coverages.

The annual dinner will be Sept. 26 and the business session Sept. 27.

U. S. Chamber Insurance Group Has Full Card

WASHINGTON — The semi-annual meeting of the U. S. Chamber of Commerce insurance committee has been called for Sept. 6 at the Waldorf-Astoria Hotel, New York.

Under a 12-point program the committee will discuss and seek answer to problems the insurance business may be called upon to face in event of general war mobilization. These include: Shift from industrial to war production, allocation of materials, price and wage controls, rationing, manpower mobilization, large scale federal deficit financing, heavy tax increases.

Besides opening remarks by the

chairman and a report from Manager A. L. Kirkpatrick of the chamber's insurance department, the agenda of the meeting calls for submission of reports on changes in the social security law; proposed study of social security under a Senate resolution; another Senate study of voluntary health plans and the chamber's plans for cooperation therewith.

The chamber's joint committee on medical care will present a recommendation for holding an educational conference on state temporary disability laws within the next several months, probably in some middle western city, for the purpose of bringing to attention of businessmen the issues involved in this question.

Federal trade commission activities will be subject of another report, dealing with operation of the mail order industry trade practice rules, and investigations of the ocean marine and inland marine businesses.

A staff report, as revised by a subcommittee named last spring, on state regulation will be presented to the full committee for further consideration. Another subcommittee report will deal with business support of private enterprise.

The new rural fire prevention contest carried on by the national fire waste council will be reported on.

Other subjects scheduled for discussion are:

"What can the chamber and the insurance business do to increase and improve the use of insured pension plans to support the broader over-all program of worker security?"

"How can the insurance business assist in selling the American private enterprise system of the American way of life?"

R. B. McNamee Appointed Anchor Agency V-P.

R. B. McNamee has been advanced from assistant secretary and treasurer to vice-president and secretary of Anchor Agency, Chicago. He also becomes a director.

Others affected in the assignment of executive personnel to new positions include James Devereux, manager of the automobile and general casualty lines, to treasurer; Clarence W. Leckner, manager of the fire, marine and London Lloyds department, to assistant secretary, and Mabel Lindgren, accounting department head, to assistant treasurer.

Mr. McNamee has been with the agency since February. Before going to Chicago he was executive vice-president of Queen City Fire, St. Paul. He also was with the Anchor insurance agency of St. Paul for a year and a half and was with Newhouse & Hawley in their Chicago, Philadelphia and New York offices. He is a graduate of Columbia University.

Wants Check Protector Firm Under Risk Law

Commissioner Viehmann of Indiana announces that he is asking Attorney General McManamon to reconsider his opinion of a year ago that Protected Check Corp. of Maryland does not come under the insurance laws. If it is held that this concern is subject to the insurance laws Mr. Viehmann indicated he would issue a cease and desist order against it until it complies with the insurance laws of Maryland. Its financial structure would then have to be approved by the Indiana department before it could operate in that

state.

Alex M. Campbell, Democratic senatorial nominee and vice-president of Protected Check Corp., testified recently at Indianapolis in giving a deposition in a libel suit that Protected Check Corp. had been endorsed by American Bankers Assn.

Mr. Viehmann followed through on that angle and received a letter from A.B.A. stating that Protected Check Corp. had not been endorsed by that association in any manner. Campbell was formerly in charge of the criminal division of the U. S. Department of Justice. President of Protected Check Corp. is Samuel P. Haines, a Washington lobbyist.

\$1 Million Loss in Pueblo Wind-Hail Storm

More than a million dollars in losses occurred in wind and hailstorm at Pueblo, Col., July 25 according to National Board. This has been designated by National Board as catastrophe No. 12.

Insurance Society of Philadelphia will begin its educational courses Sept. 18. The course will be divided into introductory, fire and casualty and will run for 100 hours. If the first section is overcrowded a second will be held in November.

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Frown on Auto Policy Changes

(CONTINUED FROM PAGE 15)

siderable volume of work for both company and agent.

Then there is the idea of a single limit policy. This would, its proponents contend, enable companies to streamline statistics.

Further, the suggestion is made that medical payments be included in the basic policy. If this were done, there could be a single policy premium which would be a step toward simplification.

Elimination of the description of the car would, it is said, save companies and agents materially in expense, largely by eliminating transfer endorsements. Objections to this step are that physical damage rating requires a description; it is necessary for suspension endorsements on multiple car risks; license and registration applications necessitate a good deal of information on the car and the applicant; it places an added burden on the claims people because they will need to learn in each case if the car is owned or borrowed, and there is no particular advantage to insured.

Occurrence vs. Accident

Should the auto policy be placed on an occurrence rather than a caused by accident basis? This does not mean too much as to automobile B.I. and P.D. but where the automobile and general comprehensive are written together, a change to occurrence would mean two insuring agreements, which is not regarded as desirable.

It has been suggested that the bail bond feature of the policy be changed to provide \$100 whereas the present policy calls for furnishing of a bond. This is not a substantial matter. Another suggestion is to broaden medical payments to apply even though the injured person is entitled to workmen's compensation, not now the case in most policies.

One proposal would extend use of other automobile coverage to relatives of named insured or spouse if living in the same household and would pick up body truck or delivery type sedans not used for wholesale or retail delivery. As to the first, companies have not had particularly good underwriting results; as to the second, this is not particularly objectionable if it only picked up the same exposure as that of the private passenger car.

Average Cost Would Go Up

As to the single limit policy, the discussion centers around one of a basic \$15,000. Advantages claimed for it are simplicity, ease of sale, etc. However, there would be some difficulty in connection with financial responsibility laws, and the single limit and P.D. cover would cost more if insured wanted to buy real catastrophe coverage for multiple injuries. It probably would boost the average cost of auto coverage.

A change is suggested on assignment of insurance. For example, if a man dies and his widow fails to notify the companies before 30 days have past, insurers could take advantage and deny liability. Apparently few companies do.

There is the idea of extending automatic coverage to the end of the policy period, which is not highly regarded because it would be almost impossible to collect additional premium when it is adjusted at that time.

One thing increasingly apparent to auto underwriters is the necessity of fire and casualty changes being made simultaneously since many policies today include both coverages. It would be highly impractical to alter the contract to accommodate casualty changes and then reprint it again for physical damage changes. Some minor changes in the physical damage coverage are being discussed.

Carl S. Alessi has established an agency at Buffalo, N. Y.

Asks Additional Time to Rehabilitate R. I. in Cal.

SAN FRANCISCO—At the hearing on the petition of the California department for cancellation of all Rhode Island's California policies, Edward Winsor, representing the company's home state receiver, asked for more time to effect rehabilitation.

Mr. Winsor testified that the appointment of Thomas J. Meehan, Rhode Island director of business regulation, as receiver had divorced the operations of rehabilitating the company from the hands of its former officers. He contended that the appointment of receivership had given the company a "clean slate" to see what can be done to get the company reorganized on a sound basis of operation.

Under present conditions, Mr. Winsor said, the company on paper is solvent, but three avenues are being explored currently to liquidate its present questionable securities, as well as to raise funds from outside sources to give the company the necessary funds to accomplish rehabilitation. He did not name any of the sources from which it was hoped to get the needed funds.

Mr. Winsor stated that if the petition was continued until Sept. 11, the day for the hearing of the petition for liquidation by the department, the company would have ample funds for rehabilitation, or would amicably concede to the process of liquidation. Judge Murphy granted the continuance of the hearing until that date, but warned company attorneys that definite action would be taken at that time to clear the litigation from the docket of his court.

In presenting the state's case, Harold Haas, deputy attorney-general, pointed out that the company at the present time has assets in the state estimated at \$345,000 and total liabilities of \$1,203,000.

Bad Five-Year Neb. Record Accounts for 25% Rate Hike

The 25% increase in Nebraska's mercantile insurance rate which went into effect July 17 can be attributed in part to the heavy wind and fire losses in Nebraska in the last few years, according to Robert F. Mallory, former manager of Nebraska Inspection Bureau. Mercantile rates are based on a five-year period and are lowered or raised according to the trend of the period.

In protected areas the rate increase affects masonry buildings with wood floors and roofs. Extended coverage rates for dwellings in any location were increased 2 cents per \$100. Rates on masonry buildings in unprotected areas were increased 10% and contents 15%. Rates on frame dwellings and contents in unprotected areas were increased 10%.

No increase in fireproof or sprinklered buildings was made. The increase does not apply to public buildings.

A decrease of between 2 and 4 cents per \$100 in fire rates depending on the type and occupancy of dwelling also went into effect. Extended coverage rates on all brick and frame mercantile buildings regardless of class were increased 4 cents per \$100. Wind resistant buildings, with concrete floors and roof or heavy frame construction were not affected by the increase. Lumber yards in either protected or unprotected areas took an increase of 20%.

Plan Fall Study Course

In cooperation with fire and casualty company men, several insurance schools are being arranged by Oklahoma Assn. of Insurance Agents for the fall term. Instead of the procedure used last year, schools are being planned on a regional basis. And will be held for one or two days rather than a couple of hours each week.

Courses will include burglary and glass, inland marine, fidelity and surety, public liability, workmen's compensation and A. & H.

Interest Lack Hits Stocks

(CONTINUED FROM PAGE 15)

haps has had some influence on investors. Insurers did not fare too badly under the tax in effect in the last war because they could use the average earnings base and the years 1936-1939 years were fairly good ones. They generally turn to this base because the alternative, the capital investment route, ran into the tax legislation's exclusion of common stocks in computing capital investment of the company. Also along this route was the provision that only half of unearned premium reserves could be considered as investment. The remainder was excluded as being in effect borrowed capital.

These factors are considered temporary.

Maloney Takes North to Task in Rating Question

OAKLAND, CAL.—"We in California can be very proud that we were not stampeded into adopting a rate regulatory law that can be interpreted as enforcing a non-competitive organization of industry, of the nature proposed by Mr. North under the all-industry bill," declared John R. Maloney, chief assistant commissioner, in a talk before the Oakland Assn. of Insurance Agents.

Mr. Maloney's remarks were aimed as an answer to a talk given by John A. North, executive vice-president of Phoenix of Hartford, president of Eastern Underwriters Assn., in which Mr. North expressed ideas which struck directly at the philosophy behind the California rate regulatory law, stating that "the rush to the rating organizations can only lead to confusion or to one of those streets ending in a dismal smash-up."

Pointing out that while he had nothing but respect for the abilities of Mr. North, Mr. Maloney said that his recent remarks at the E.U.A. meeting suggested that all new ventures in broadening the combination of forms of coverage in the determination of rates at which they are to be used, should be taboo to any insurer which is a member or subscriber of a rating bureau having jurisdiction over any part of such coverage, until the bureau has concluded that they are reasonable and fair, and has adopted or filed them for use by all members and subscribers.

Mr. Maloney said that the philosophy expressed by the school of thought represented by Mr. North is contrary to the expressly stated purpose of the all-industry bills themselves. "Fortunately," he said, "I believe there are those in the business who will not only disagree with Mr. North, but would even challenge his narrow legalistic approach to the interpretation of the all-industry bills as applied to multiple line policies."

Prepare for Canadian Superintendents Meeting

The advance agenda has been prepared for the annual conference of Assn. of Superintendents of Insurance of Canada. The meeting will be at Niagara Falls, Ont., Oct. 23-25, and on Oct. 26 and 27 there will be executive sessions. Headquarters will be the Brock Hotel.

The meeting will open with the presidential address of J. A. Young, Saskatchewan superintendent, followed by reports of the valuations, annual statement, and life legislation committees. On the first afternoon licensing and regulations of agents will be discussed by Georges LaFrance, Quebec.

Tuesday morning will be given over to fraternal insurance and in the afternoon insurance law revision will be taken up by R. B. Whitehead, Ontario. On the third day, auto legislation and auto assigned risks will be discussed by Mr. Whitehead and Herbert Hunter, Manitoba.

Michigan has approved the "all risks" dwelling endorsement of Atlantic Mutual. The endorsement is designed for optional attachment to a standard fire policy with E. C.

Questionnaire on Installment Plans in California

Commissioner Downey of California has sent a questionnaire on installment premium plans to all fire, casualty, and inland marine companies operating in the state.

In his accompanying letter, the commissioner said the completed questionnaires will be retained by the department solely for the purpose of information since California law does not provide for filing or approval of such plans. The forms are to be returned to the department on or before Oct. 1. Mr. Downey seeks information as to:

1. List the classes of insurance, or subdivision thereof, for which you have or contemplate having premium installment plans:

(a) Is more than one plan contemplated or employed?

(b) If answer is "Yes," indicate the classes of insurance or subdivisions thereof where more than one plan is employed.

(c) Are any of the above indicated plan or plans available for policies covering property in California?

2. As respects each such plan or plans, indicate the following:

(a) Is there a charge for the privilege of paying in installments? If so, is the charge included in the rate and premium or is it shown as a separate amount on the policy itself or endorsement attached to the policy?

(b) What is the basis for the charge, i.e., rate of interest, amount of policy, length of term, type of insurance, etc.?

(c) Is the installment charge reported in the annual statement as a premium item or as other income?

(d) What reserve basis is employed on installment premiums for term policies?

(e) Is the amount of installment charge reported for tax purposes? If so, how?

(f) Does the producer receive a commission or allowance on the installment premium charge? If so, how much?

(g) Does the producer receive full policy commission on the first payment, or is commission allowed on each installment as received?

(h) On installment contracts, how are short rate and pro rata earned premiums calculated in the event of policy cancellations?

(i) In the event the insured fails to pay installments when due, what rules or procedure for termination of coverage are followed?

(j) Are extra charges for installment payments included as premiums in reporting experience to statistical agencies?

(k) Do reinsurers receive a proportionate amount of the installment charge?

Maine Convention Dates

Dates for the Maine Assn. of Insurance Agents annual convention are Sept. 7-8. President Claude Ryder has appointed G. Lawrence Winslow, Lewiston, Albion M. Benton, Saco, and Asa O. Pike, III, Fryburg, as program committee.

Compensation Insurance Rating Board of New York has amended its manual ruling on basis of premium to exclude from that computation any remuneration paid under the disability benefits law as well as the workmen's compensation law of which it is a part. Any payments to employees during illness or disability above those required by the law must be included.

U. S. F. & G., with J. A. Bartlett, manager at Atlanta, as host, honored Frank Howard, of the Harwell & Howard agency, McMinnville, Tenn., at a dinner at Nashville, in recognition of 50 years with that company.

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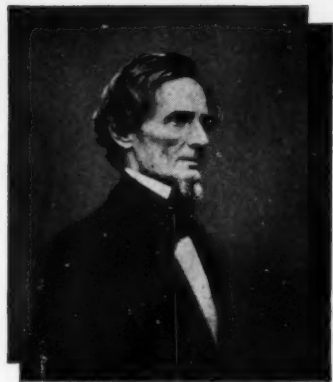
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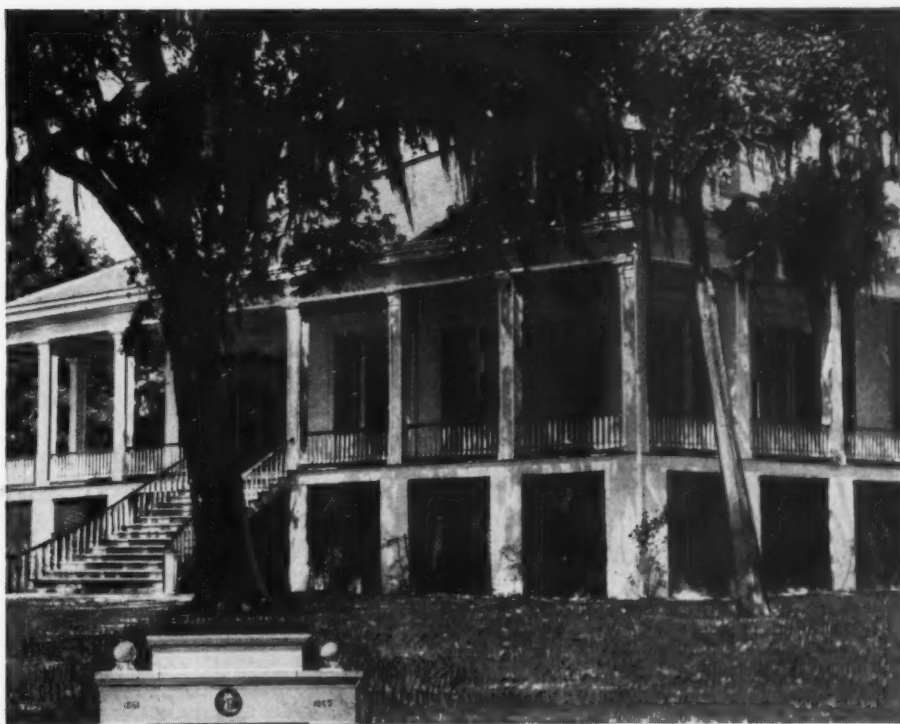
RETREAT TO SERENITY

"THE ORANGES are shining on the trees and our pine-knot fires soar in the chimneys; in their light I try to bury my unhappiness;" thus Jefferson Davis wrote of Beauvoir, the plantation near Biloxi where he spent the last twelve years of his life. His childhood too was spent in Mississippi for, though he was born in Kentucky in 1808, when he was still an infant his family moved to a plantation near Woodville.

While serving in the army after his graduation from West Point, Davis fell in love with Sarah Knox Taylor, daughter of a future President. Colonel Zachary Taylor opposed his suit, however, principally because he was unwilling to have his daughter marry a soldier and it is said that Davis challenged him to a duel but eventually the young couple were married. Resigning from the army, Davis took his bride to Mississippi but within three months she died of malarial fever.

Varina Howell who became Davis's second wife reported on first meeting him that she found him "refined and cultivated" in spite of being a Democrat but would never like him as well as his brother Joe. Nevertheless, their marriage was marked by deep and enduring devotion. At one time Davis, who frequently suffered from ill health, would have lost his sight had it not been for his wife's care.

During the Mexican War Davis re-entered the army and won the nation's homage for his heroism at the battle of Buena Vista where, though wounded, he continued to lead the attack. Within twelve months he became Congressman, colonel, brigadier general and Senator. Later, he served as



Memorial Arch at main entrance to Beauvoir

Secretary of War under President Pierce.

Davis was in the rose garden at Brierfield, his Mississippi plantation, when word came that he had been appointed President of the Confederate States. As he had aspired to command the Southern armies, he received the message so sadly that his wife feared it told of disaster.

Broken in health and spirit after the tragedy of war and his imprisonment in Fortress Monroe, Davis tried various occupations and for a time was head of an insurance company. At length he found sanctuary at Beauvoir which the owner, Mrs.

Sarah A. Dorsey, generously put at his disposal, and here Davis devoted himself to writing. Of his six children all four sons died before Davis passed away in 1889.

Built soon after 1855, Beauvoir is now maintained as the Jefferson Davis Shrine by the Mississippi Divisions of the United Sons of Confederate Veterans and the United Daughters of the Confederacy.

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